

## Levels of Development مستويات التنمية

- What are developed nations and less developed countries?
  - ماهي الامم المتقدمة والدول الاقل نموا؟
- How can we measure development?
  - كيف نقيس التنمية؟
- What are the characteristics of developed and less developed countries?
  - ماهي خصائص الدول المتقدمة والدول الاقل نموا؟
- How do we rank levels of development?
  - كيف نرتب مستويات التنمية؟

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## Developed Nations and Less Developed Countries الامم المتقدمة والدول الاقل نموا

### Developed Nations الامم المتقدمة

- **Developed nations** are nations with higher average levels of material well-being.

### Less Developed Countries

الدول الاقل نموا

- **Less developed countries (LDCs)** are countries with low levels of material well-being.

**Development** is the process by which a nation improves the economic, political, and social well-being of its people.

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## Measuring Development قياس التنمية

### Per Capita GDP نصيب الفرد من الناتج المحلي الاجمالي

- Per capita GDP is a measurement of a nation's GDP divided by its total population.

### Energy Consumption استهلاك الطاقة

- How much energy a nation consumes depends on its level of industrialization, or the extensive organization of the economy for the purpose of manufacture.

### Labor Force الرمز الحقل

- If a nation's labor force is mostly devoted to subsistence agriculture, or raising enough food to feed only their families, there are fewer workers available for industry.

### Consumer Goods السلع الاستهلاكية

- The quantity of consumer goods a nation produces per capita can also indicate its level of development.

### Literacy التعليم/ معرفة القراءة والكتابة

- A country's literacy rate is the proportion of the population over age 15 that can read and write.

### Life Expectancy متوسط العمر المتوقع

- Life expectancy is the average expected life span of an individual. It indicates how well an economic system supports life.

### Infant Mortality Rate معدل وفيات الرضع

- A country's infant mortality rate indicates the number of deaths that occur in the first year of life per 1,000 live births.



## Characteristics of Developed Nations

### خصائص الأمم المتقدمة

- Developed nations have high per capita GDPs, and a majority of their populations are neither very rich nor very poor.
- Developed nations have high levels of agricultural output, but relatively few people work on farms. Most of the labor force work in industry and services.
- Developed nations have solid **infrastructure**. Infrastructure is the services and facilities necessary for an economy to function.



## Characteristics of Less Developed Countries خصائص الدول الأقل نموا

- Less developed countries have low per capita GDPs, and their low energy consumption levels signal lower levels of industrialization.
- Unemployment rates are high in LDCs, often as high as 20 percent. Most people in the labor force are subsistence farmers.
- Literacy rates in LDCs are low due to limited resources for education.
- Housing and food are often of poor quality in LDCs, leading to high infant mortality rates and lower life expectancies.

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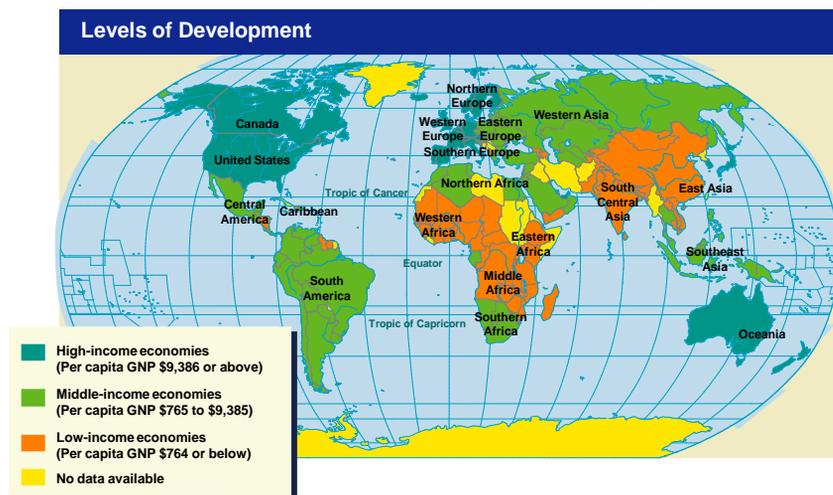
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## Ranking Development تصنيف التنمية

Levels of development vary greatly among nations.



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## Section 1 Assessment

1. Which of the following is a characteristic of a developing country?
  - (a) a high per capita GDP
  - (b) a high number of people employed in industry
  - (c) a low literacy rate
  - (d) low levels of disease
2. Less developed countries have higher infant mortality rates because
  - (a) adult literacy rates are high.
  - (b) their infrastructure is strong.
  - (c) life expectancies are high.
  - (d) nutrition and health care are poor.



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## Issues in Development قضايا في التنمية

- What are the causes and effects of rapid population growth?  
ماهي اسباب واثار النمو السكاني السريع؟
- How do supplies of resources and physical capital influence development?  
كيف يؤثر عرض الموارد ورأس المال المادي في التنمية؟
- How important is human capital to development?  
ما اهمية رأس المال البشري في التنمية؟
- Why are political factors and debt obstacles to development?  
لماذا العوامل السياسية والديون تمثل عقبة للتنمية؟

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## Rapid Population Growth النمو السكاني السريع

- The **population growth rate** is the increase in a country's population in a given year expressed as a percentage of the population figure at the start of the year.
- Economists often focus on the **natural rate of population increase**, or the difference between the birth rate and the death rate.
- If a country's population doubles, it must also double the following if it is to maintain its current level of development:
  - Employment opportunities فرص التوظيف
  - Health facilities المرافق الصحية
  - Teachers and schoolrooms المدرسون والفصول الدراسية
  - Industrial output الناتج الصناعي
  - Agricultural production الانتاج الزراعي
  - Exports and imports الصادرات والواردات

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## Resource Distribution and Physical Capital

### توزيع الموارد ورأس المال المادي

#### Resource Distribution

##### توزيع الموارد

- In parts of Africa, Asia, and Latin America, physical geography makes development more difficult.
- Only about 10 percent of the world's land is arable, or suitable for producing crops.

#### Physical Capital

##### رأس المال المادي

- The lack of economic activity typical of LDCs is due in part to a lack of physical capital.
- Subsistence agriculture provides little opportunity for individuals or families to save.

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## Human Capital رأس المال البشري

When a country fails to invest in human capital, the supplies of skilled workers, industry leaders, entrepreneurs, government leaders, doctors, and other professionals is limited.

- **Health and Nutrition** الصحة والتغذية
  - Proper food and nutrition are necessary for physical and mental growth and development. Inadequate nutrition is called **malnutrition**.
- **Education and Training** التعليم والتدريب
  - To be able to use technology and move beyond mere subsistence, a nation must have an educated work force.
- **“Brain Drain”** هجرة العقول/الادمغة
  - The scientists, engineers, teachers, and entrepreneurs of LDCs are often enticed to the benefits of living in a developed nation. The loss of educated citizens to the developed world is called “brain drain.”

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## Political Factors and Debt

### العوامل السياسية والديون

- **From Colonial Dependency to Central Planning**
  - من التبعية الاستعمارية الى التخطيط المركزي
  - Many LDCs are former colonies of European powers. Their dependency on their colonizers for manufactured goods hindered their own development. Several LDCs turned to central planning after gaining their independence in an effort to modernize quickly.
- **Government Corruption** فساد الاجهزة الرسمية
  - Corruption in the governments of many LDCs holds back development.
- **Political Instability** عدم الاستقرار السياسي
  - Civil wars and social unrest prevent the necessary social stability required for sustained development.
- **Debt** الديون
  - Rising oil prices in the 1970s and a strong U.S. dollar have made it hard for many LDCs to repay loans.



## Section 2 Assessment

1. How does human capital contribute to development?
  - (a) financiers lend money to developing countries
  - (b) foreigners make investments in another country
  - (c) a skilled work force encourages foreign investment
  - (d) people invest their money in local resources for growth
2. How do factors like climate, mineral resources, and rainfall have an impact on development?
  - (a) Technology can be used to allocate resources differently.
  - (b) Poor climate and rainfall and lack of mineral resources can make development difficult.
  - (c) A country with good climate and resources has no trouble becoming fully developed.
  - (d) These factors seldom have any positive or negative affect on development.



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## Financing Development تمويل التنمية

- What role does investment play in development?  
مالدور الذي يلعبه الاستثمار في التنمية؟
- What are the purposes of foreign aid?  
مالاغراض من المساعدات الخارجية؟
- What role do international economic institutions play in development?  
مالدور الذي تلعبه المؤسسات الاقتصادية الدولية في التنمية؟



## The Role of Investment دور الاستثمار

Building an infrastructure, providing education and health care, and creating technology and industry, all require large sums of money.

### Internal Financing التمويل الداخلي

- **Internal financing** is derived from the savings of a country's citizens.
- In many LDCs, there is little internal financing.

### Foreign Investment الاستثمار الاجنبي

- **Foreign investment** is investment which originates from other countries.
- There are two types of foreign investment, **foreign direct investment**, and **foreign portfolio investment**.

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## Two Types of Foreign Investment

### نوعان من الاستثمارات الاجنبية

#### Foreign Direct Investment

الاستثمار الاجنبي المباشر

- **Foreign direct investment** is the establishment of an enterprise by a foreigner.
- Many multinational corporations are attracted to foreign direct investment because of the possibilities for increased profits.

#### Foreign Portfolio Investment

محاظف الاستثمار الاجنبي

- **Foreign portfolio investment** is the entry of funds into a country when foreigners make purchases in the country's stock and bond markets.
- Foreign portfolio investment creates funds which indirectly increase production.

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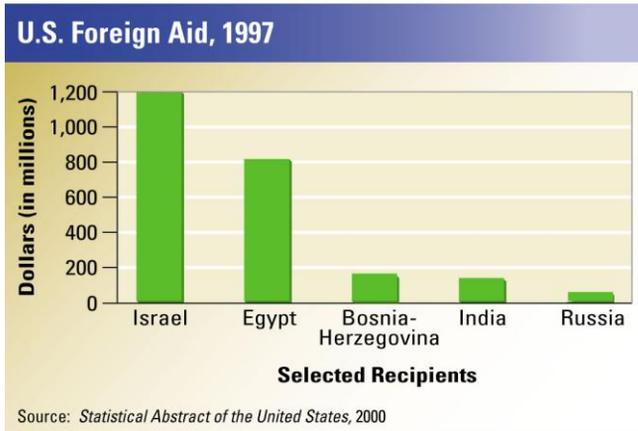
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## Foreign Aid المساعدات الأجنبية

Many developed nations provide aid to less developed nations for building schools, sanitation systems, roads, and other infrastructure.



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## International Economic Institutions

### المؤسسات الاقتصادية الأجنبية

- **World Bank** البنك الدولي
  - The largest provider of development assistance is the **World Bank**. The World Bank offers loans, advice, and other resources to many less developed countries.
- **United Nations Development Program (UNDP)** برنامج الامم المتحدة الانمائي
  - The **United Nations Development Program** is dedicated to the elimination of poverty through development.
- **International Monetary Fund** صندوق النقد الدولي
  - The **International Monetary Fund (IMF)** primarily offers policy advice and technical assistance to LDCs. The IMF is also viewed as a lender of last resort.

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## Section 3 Assessment

1. Why does the money that is invested in many less developed countries have to come from outside the country?
  - (a) The amounts of money needed are large.
  - (b) Entrepreneurs from developed countries do not want to invest in these countries.
  - (c) Most residents do not have enough money to save and invest.
  - (d) Multinational corporations want to invest in these countries.
2. The establishment of a business enterprise by someone who lives outside a country is called
  - (a) a foreign publication group.
  - (b) a multinational corporation.
  - (c) a foreign direct investment.
  - (d) an outside capitalization.



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## Transitions to Free Enterprise التحول الى المشروعات الحرة

- What steps are taken when moving from a centrally planned economy to a free market economy?
  - ما الخطوات المتخذة عند الانتقال من اقتصاد مخطط مركزيا الى اقتصاد السوق الحر؟
- What changes have taken place in Russia in recent decades?
  - ما التغييرات التي حدثت في روسيا في العقود الماضية؟
- How has China's communist government introduced free market reforms in China?
  - كيف قدمت حكومة الصين الشيوعية اصلاحات السوق الحر في الصين؟

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## Moving Toward a Market Economy الانتقال نحو اقتصاد السوق

- **Privatization** الخصخصة
  - **Privatization** is the sale or transfer of state-owned businesses to individuals. Private ownership gives individuals, rather than the government, the right to make decisions about what to produce and how much to produce.
- **Protecting Property Rights** حماية حقوق الملكية
  - A government must create whole new sets of laws that ensure a person's right to own land and transfer property.
- **Other New Roles for Government** ادوار اخرى جديدة للحكومة
  - A government must also be able to deal with possible unrest caused by the transition to a market economy. A government may also play a role in establishing a new work ethic, or a system of values that gives central importance to work.

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## Transition in Russia التحول في روسيا

### 1. Communism in Russia الشيوعية في روسيا

The Soviet government reorganized farmland into state farms and collective farms. Much of the economy was focused on the growth of heavy industry.

### 2. Glasnost and Perestroika

In the late 1980s, Soviet Premier Mikhail Gorbachev introduced new reforms. **Glasnost** was a policy of "openness" encouraging open speech. **Perestroika** called for a gradual change from a centrally planned economy to free enterprise.

### 3. Collapse of Communism انهيار الشيوعية

In 1991, Russians voted in their first democratic election. Soon after, the Soviet republics declared themselves independent nations. By the end of 1991, the Soviet Union ceased to exist.

### 4. Transition to a Free Market التحول الى السوق الحر

Since 1991, the Russian government has moved Russia towards free enterprise. However, extensive corruption and government mismanagement have hindered Russia's progress.

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## Transition in China التحول في الصين

Since the end of China's civil war in 1949, China has developed its own unique version of communism.

- **The Great Leap Forward** القفزة اكبيرة نحو الامام
  - In 1958, Mao Zedong introduced the Great Leap Forward. The program's intent was to turn China into a great economic power, but instead resulted in famine and about 20 million deaths.
- **Transition to the Free Market** التحول الى السوق الحر
  - Mao died in 1976. His successor, Deng Xiaoping, introduced new approaches to government and the economy. Deng shifted industrial and agricultural production decision-making back to individual farmers and factory owners.
- **Economic Zones** المناطق الاقتصادية
  - Deng also set up four **special economic zones** along China's east coast. In these zones, local governments are allowed to offer tax incentives to foreign investors and local businesses can make their own production decisions. China now has hundreds of special economic zones.

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## Section 4 Assessment

1. Why must private ownership of property be legally guaranteed before a free market economy will work?
  - (a) Unemployment will be too high for the private ownership to work without the guarantee.
  - (b) Foreign investors will take over the ownership of all property if it is not guaranteed.
  - (c) People will not invest in businesses unless their legal rights are protected, and they know contracts will be legal and enforced.
  - (d) Foreign investors will try to impose their own system of property rights on the country.
2. China's special economic zones
  - (a) represent China's commitment to communist principles.
  - (b) represent China's shift toward a free market economy.
  - (c) provide fewer incentives for foreign investors.
  - (d) are an attempt to limit the growth of the free market in China.



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## مصطلحات رئيسية Key Terms

عربي	انجليزي	عربي	انجليزي
اقتصاديات الدخل العالي	High-income Economies	الامم المتقدمة	Developed Nations
اقتصاديات الدخل المتوسط	Middle-income Economies	الدول الاقل نموا	Less Developed Countries (Ldcs)
اقتصاديات الدخل المنخفض	Low-income Economies	التنمية	Development
معدل الزيادة الطبيعي للسكان	Natural Rate Of Population Increase	خصائص	Characteristics
زراعة الكفاف	Subsistence Agriculture	نصيب الفرد من الناتج	Per Capita GDP
عمال ماهرون	Skilled Workers	مستوى التصنيع	Level Of Industrialization
قوة عمل متعلمة	Educated Work Force	الناتج الزراعي	Agricultural Output
اسكان	Housing	البنية التحتية	Infrastructure

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## مصطلحات رئيسية Key Terms

عربي	انجليزي	عربي	انجليزي
ملكية خاصة	Ownership Of Property	سلع مصنعة	Manufactured Goods
شركات مملوكة للدولة	State-owned Businesses	فساد	Corruption
قوة اقتصادية	Economic Power	تنمية مستدامة	Sustained Development
مناطق اقتصادية خاصة	Special Economic Zones	شركات متعددة الجنسيات	Multinational Corporations

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