

Geography Test Population 17, Name Cyrill Zürcher

1. Define following terms: (2p)

Gini Coefficient:	The Gini Coefficient is the ratio calculated by the diagonal line (0) and the <u>GNI</u> per capita 0 = total equity 1 = 1 person earns everything.
MPI: Modern Poverty Index	The MPI is calculated by taking in 3 factors (Education, GDP, standard of living) each one of these have sub-factors <u>equal sub-factors</u> which contribute to the MPI. The MPI shows how developed a country is.

2. Why is the informal sector more important in LDC's than in Switzerland? (1p)

In LDC's nearly 2/3 of the population work in the informal sector, so nearly 2/3 of the National income is generated inside the informal sector. In Switzerland there is no informal sector.

3. Find four reasons why the GDP is not the most reliable indicator for development. (2p)

- In the GDP only the total income is shown $\rightarrow$ it doesn't show how much people actually earn. One or two big companies or rich people can raise the GDP massively while the rest of the population earns nearly nothing. It also does not include education, healthaid, infrastructure.

4. What are the biggest challenges for a country that is in stage II in the DTM? (2p)

A stage II country faces the challenge of getting a ldd for the whole country in the economy and taking the first steps towards industrialisation. They need to attract foreign investors, develop infrastructure. They also need to keep a healthy balance between industrialisation while still keeping the

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first sector going -

5. Find better indicators than the GDP to determine the **economic** situation for an average person in a certain country. Explain. (2p)

- Big-Mac-Index: The Big-mac Index shows for how long a person needs to work on average to being able to afford a Big-Mac. This shows the specific buying power people have in a certain country.

- The GNI^{per capita}: The GNI only takes the total income per capita in effect and therefore shows how much a ^{single} person actually earns. Big companies and rich people not included.

6. What are the negative consequences of a negative population growth? (2p)

A negative population growth results in a loss of productivity in a country. There are less people actually working and earning money. There are more people being reliable on the pension (aid) which puts a lot of pressure on the "pensionskasse" which for example in Switzerland is not able to exist in the next 10-20 years.

7. What is transfer pricing? Why is Switzerland profiting from it? (1p)

Transfer pricing is the price which is paid for copper in Zambia and then sold cheaply to a Swiss office which works for Glencore. After that Glencore sells much higher to western countries; Switzerland profits from the tax revenue gained by selling to America, etc.

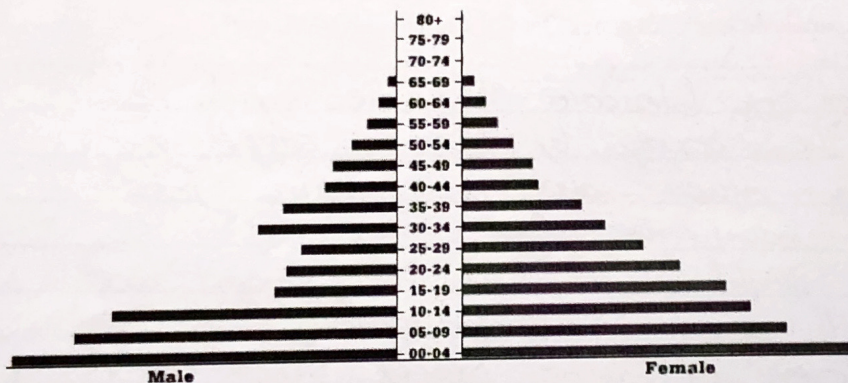
and MPI $\Rightarrow$ they are both about equal

8. Give an example for a social indicator for development and explain it and its advantages compared to the GDP. (2p)

The ~~MPI~~ HDI (Human Development Index) takes three factors into calculation - GNI, Education, Standard of living. These three factors together show how ~~all these~~ a country is developing. A high HDI (1) f.e. Norway and low (0) Mozambique.

In contrast to the GDP you can see how much the public actually earns and you can also see how the public is living (water, Electricity, Infrastructure). Also Education is a huge factor in determining how developed a country is $\rightarrow$ the longer the education the more developed is the country.

9. Take a look at the following population pyramid: (2p)



- a) Which **two** statements can you make about its population (no interpretation)?
 b) In which stage of the DTM do you expect this country to be? Explain why (in short).
 c) Find two logical and likely reasons for the irregular shape at the male's side.
 d) Name a country that could fit to this pyramid.

- a) - High birthrate and also quite high mortality rate
 b) This country is somewhere between Stage 1 and Stage 2. The deathrate seems to be stabilizing as well as the birthrate which indicates a development towards a Stage 2 country.
 c) - A war could have affected the high death rate upon males especially in the age between (15-30).
 - A crisis could also have lead to the emmigration for young men $\rightarrow$ go to foreign countries to earn money for the family.
 d) ~~Namibia~~ Kongo (civil war) Mozambique?

10. Explain the reasons for the disadvantaged situation in a peripheral place according to the dependence theory (2p)

CORE / According to the dependence theory peripheral countries were made dependant on developed / western countries by enforcing our economic and governmental system. Which means that peripheral countries had to abandon their traditional lifestyle in order to survive. They now have the task to supply raw materials and cheap labor to the western countries in order to being able to compete in the global market.

11. What is the Idea how to develop Zambia in the eyes of a company like Glencore? Why do they believe that Zambian people do profit not enough from the taxes paid by Mopane? (2p)

- In the eyes of Glencore they are helping to develop the country by buying copper from their own mines and by creating jobs for the Zambians.
- Glencore might think that the taxes are not well spent for example into the education or into better infrastructure.

Bonus Question: What is a LLDC? Give an example for it.

A LLDC is a Land-locked - Developing Country. This country has no ^{direct} access to the sea and has therefore less opportunities for trading, shipping etc.

- Example: Malawi, Lesotho