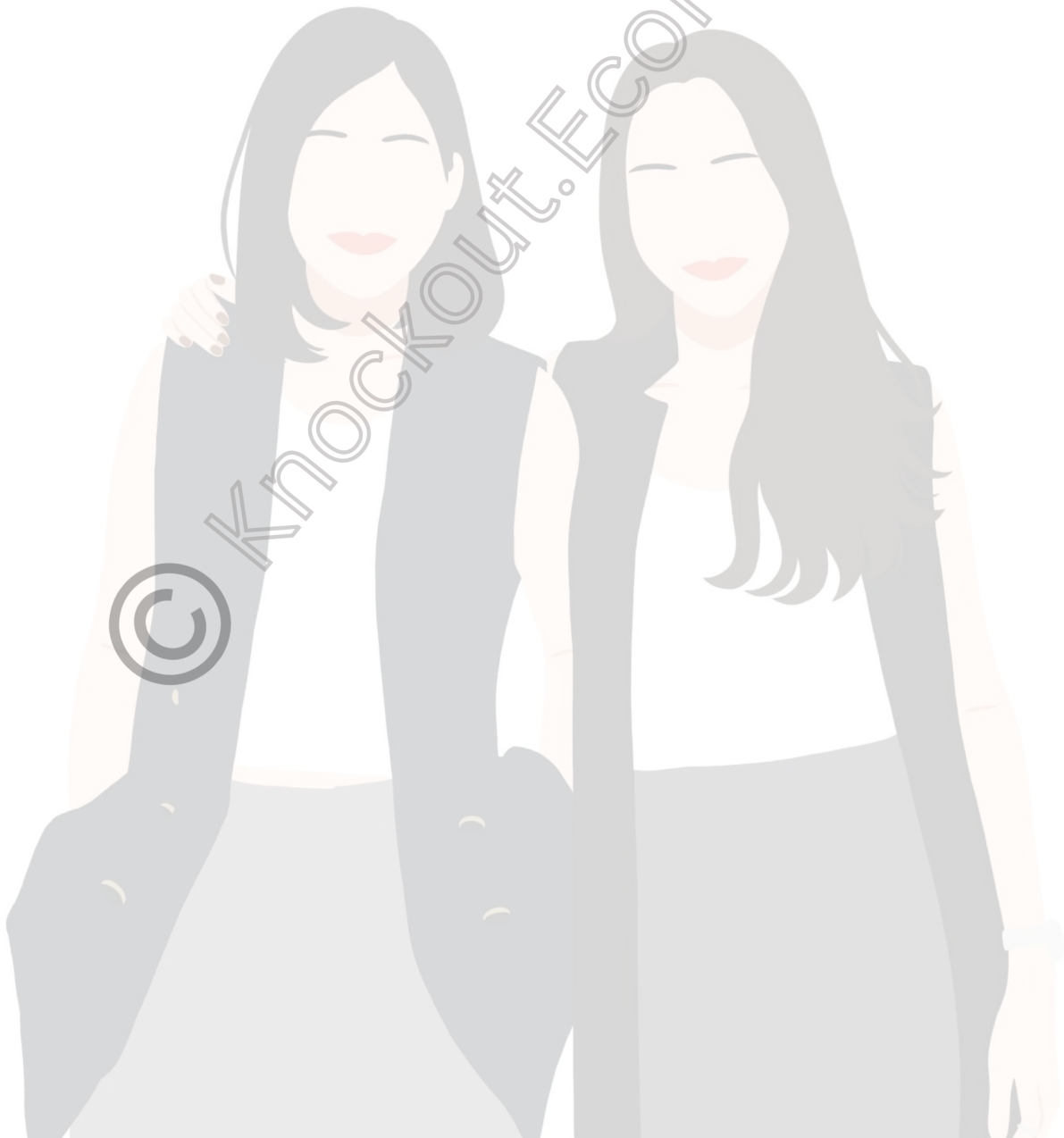


Chapter 35

The role of government

Key terms

1. Economic development : an improvement in economic welfare.
2. The world Bank : an international organisation which provides long term loans on favourable terms to promote development.
3. The IMF : an international organisation that promotes international trade and global financial stability.



1. Economic development

: an improvement in living standard involves reducing poverty expanding economic and social choices, and increasing freedom and self-esteem.

2. Causes of differences in economic development between countries

- Differences in income per head.
- Differences in saving due to differences in income per head.
- Differences in investment.
- Differences in population growth.
- Differences in education and healthcare.
- Differences in size of primary , secondary and tertiary sectors.

3. Measures to promote economic development

3.1 Improve infrastructure

3.2 Attract MNC to invest in the country

4. Characteristics of developed and developing economies

Characteristics of developed economies	Characteristics of developing economies
<ul style="list-style-type: none">• Higher GDP per head• Larger proportion of people working in service sector• Higher literacy rate• Low birth rate and low dead rate	<ul style="list-style-type: none">• lower GDP per head• Larger proportion of people working in primary sector• Lower literacy rate• High birth rate and high dead rate