

Developing Country Case Studies

Edexcel Economics Unit 4



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1st Edition

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Introduction

This ebook is a 'first attempt' at sharing students' work, with the aim of encouraging students to see the value of independent research tasks and encouraging them to produce high-quality work, that can then be shared with fellow teachers and students around the world. Please bear this in mind- it is certainly not a 'perfect' ebook, merely a first attempt at a new idea.

I hope that this information will be of use to other students and their teachers who will be embarking on the Edexcel Economics Unit 4 exam. To get the top grades in the essay questions, as part of this exam, it is vital that students have a knowledge of the world around them. For the development economics part of this course, students need to have an awareness and understanding of a selection of different countries that they could refer to in order to justify the arguments they are making in their essays. Hopefully, the case studies in this ebook will aid that process and make it easier and more useful.

Any constructive feedback about this prototype would be much appreciated, as I will be looking to enhance and extend this concept in the future.

Please keep in touch [@dizzleeducation](https://twitter.com/dizzleeducation)

Thank you,

David.

The contents of this ebook were written by a class of year 12 students over a period of 10 days. They are:

Faizah, Joshua, Tara, Phoebe, Kuro, Izabella, Leon, Daniel, Conor, Charley, Emily, Thomas, Harkiren, Sajjan, Anna, Michael, Cameron, Harry, and Luke.

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India



HISTORY

By 500 BC the whole of northern India was a civilised land where labour work was high, where people had knowledge of iron implements and worked as labour voluntary or otherwise. It started off with the Indus valley where they relied heavily on trade, and some say India was the richest country in the world and had the biggest economy from 0BC to 1000BC. After the 1991 economic crisis, India's government launched economic liberalisation and is now becoming one of the fastest growing economies in the world.

GEOGRAPHY

India is in the south of Asia and is the 7th largest country in the world with a total area of 3,166,414 square kilometres with the river Ganges being the longest river in India. India is neighbours to Pakistan and Bangladesh, where the divide was created in 1947 called the Radcliffe line.

56% of India's land is used for agriculture, where they grow vast amounts of rice, tea leaves and cotton. About 44 million tonnes of cargo is moved annually through the country's major rivers and waterways.

POLITICS

India is a democracy where people vote who they want into power. Nevertheless, Indian politics is often described as chaotic. More than a fifth of parliament members face some criminal charges and around 40 of them are accused with serious criminal charges, which suggests high level of corruption.

Most of the government spending fail to reach the general public and government initiative are marked by large scale corruption.

ECONOMY AND TRADE

India's GDP was worth \$1847.98bn in 2011 which represents 2.98% of the world economy but is vastly growing. India's value of imports is worth over \$235bn and their exports valued at \$142bn. Their key export in 2012 were petroleum products which generated \$56bn, followed by gems and jewellery with \$47bn. Pharmacy products, transport equipment, machinery and readymade garments are also big exports for India.

India's top import source is china followed by UAE, Switzerland and Saudi Arabia. The UK came in at 21st place in 200-12 with India importing a total of \$7.7bn however more recently the UK has dropped a 1.4% share of India's import sources in 2012-13.

India's economy is likely to have grown by 5.7% by the end of 2013. As predicted by Goldman Sachs, the Global Investment Bank, by 2035 India would be the third largest economy of the world just after US and China and by 2050 will overtake the US becoming the second largest economy in the world. Can India live up to its expectations?

POVERTY & INCOME INEQUALITY

25% of the population live on less than \$1.25 a day in extreme poverty. There is also a large regional income inequality in India where six low income states are home to more than one third of population. This is due to the dependency on agriculture of these low skilled workers which can make income unstable due to changing weather patterns. Also very low benefits from the government means that income is not being spread from the rich to the poor increasing the income inequality gap.

Sierra Leone



HISTORY

Sierra Leone became inhabited around 2500 years ago. It played a key role in modern African political liberty and became an independent nation in 1961. It began as a colony of freed American slaves.

The Sierra Leone civil war was from 1991-2002. The civil war involved the entire country and resulted in more than 50,000 people dead. A third of the population (over 2 million people) were displaced. The main cause of the Sierra Leone civil war was because military leader Joseph Momoh was placed as president of Sierra Leone. There were several opposition groups and some of these groups were driven out of the country causing them to flee to other countries like Ghana and Liberia.

Recent events in Sierra Leone include things such as the government launching a major boost in their healthcare system containing free provision for nursing mothers and children in 2010. In 2012 Sierra Leone discovered oil off the coast of Sierra Leone and Liberia, they also had their first elections since the end of the civil war without UN oversight and their president won a second term.

GEOGRAPHY

Sierra Leone is in West Africa, it borders Guinea, Liberia and the Atlantic Ocean. It has a total area of 71,740 km² and has 4 main regions: coastal Guinean mangroves, the wooded hill country, an upland plateau and the eastern mountains such as Mount Bintumani which rises to 1,948m high.

Sierra Leone is one of the top 10 diamond producing nations in the world and is also a large producer of bauxite, titanium and gold. Sierra Leone also has the third biggest natural harbour in the world.

POLITICS

The government of Sierra Leone is the governing authority of the Republic of Sierra Leone and is divided into three parts: the executive, the judicial and legislative. The capital of Freetown is where the seat of government is in Sierra Leone. The government of Sierra Leone uses a system where the president of Sierra Leone is head of government, the state and a multi-party system.

Sierra Leone has formal relations with several Western nations and maintains diplomatic relations with China and Soviet Bloc countries. It is also a member of the United Nations and the International Criminal Court.

The Sierra Leone Anti-Corruption Commission was established in 2000. It was established after the civil war in the 1990s and was established as an independent commission to investigate the government's corruption. The ACC was partially funded and staffed by mostly British experts, but in 2007 the UK government withdrew support, saying that the ACC were not given broad enough powers.

ECONOMY AND TRADE

Sierra Leone is one of the least economically developed countries, with a GDP of approximately 1.9 billion USD in 2009. Since 2002, the end of the civil war, the economy in Sierra Leone is gradually recovering with a GDP growth rate between 4 and 7%, and its GDP in 2008 in Purchasing Power Parity, ranked between 147th and 153rd largest in the world.

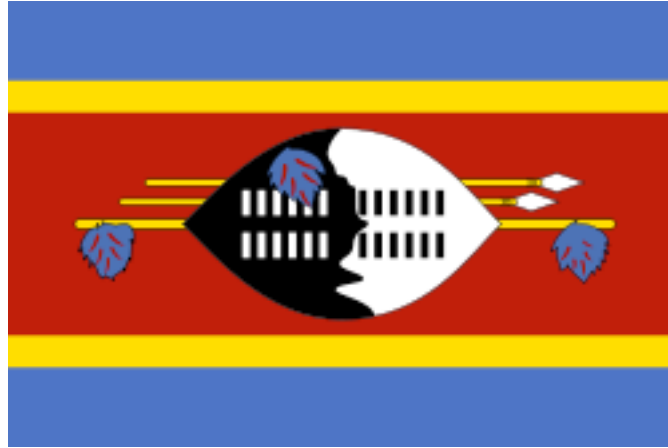
Sierra Leone's main trading partners are Germany, Belgium and the United Nations, and its principle foreign exchange earner is mineral exports. Sierra Leone is also a major producer of gem-quality diamonds, and although it is rich in this resource, Sierra Leone has struggled to manage its exploitation and export. Annual production estimates range between \$70 million and £250 million. However, only a small amount of this passes through formal export channels. Recently, Sierra Leone has successfully tried to improve the management of the export trade, and in October 2000, a new UN-approved export certificate was put into place for exporting diamonds, which led to a huge increase in legal exports.

POVERTY & INCOME INEQUALITY

Sierra Leone is ranked 177 in the HDI rankings. They have an average life expectancy of 48.1 and their mean years of schooling are just 3.3. Sierra Leone also has a Gini coefficient of 42.52.

Sierra Leone is one of the poorest countries in the world with a high income inequality. 70% of Sierra Leone lives below the poverty line and 26% live in extreme poverty. It is at the bottom of the HDI index. It has huge natural resources but it's a poorly diversified economy with undeveloped infrastructure, a poor education system and they don't have the capacity to manage these resources so their potential is unused.

Swaziland



HISTORY

In Swaziland's early days, claiming territory was one of the primary concerns of the people of Swaziland. Swazi's expanded their territory to the North West and stabilised Southern Frontier with the Zulus. Later on , Mswati reigned Swaziland.

The contact with the British came early in the Mswati's reign when he asked British authorities in South Africa for assistance against Zulu raids into the country.

GEOGRAPHY

Swaziland is known as the 'Kingdom of Swaziland' in Southern Africa, directly east of Mozambique. It can also be referred to as 'Ngwane of Swatini' in some cases. As Swaziland is a small country (no more than 200km or 120 miles) its population is only 1.2 million people. The western half is mountainous and includes Lemombo Mountains. In Swaziland, rainfall occurs in the summer time and may reach up to 2 metres in the West. Natural resources include Asbestos, coal, hydropower forests, small amounts of gold, diamond deposits, quarry stone and talc.

POLITICS

Government type is a monarchy

Chief of state: King MSWATI III (since 25 April 1986)

Head of government: Prime Minister Barnabas Sibusiso Dlamini

Elections: none; the monarchy is hereditary; prime minister appointed by the monarch from among the elected members of the House of Assembly

Guaranteed by the British in the late 19th century; independence was granted in 1968.

ECONOMY AND TRADE

Population of 1.2 million

GNI per capita: US \$3,470 (World Bank, 2011)

Main exports: Sugar, wood pulp, minerals

Mainly primary jobs including agriculture, forestry and mining, accounts for only 13% of GDP followed by textiles at 37% and government services make account of 50% of GDP.

And around 75% are employed in the agricultural field.

POVERTY & INCOME INEQUALITY

In Swaziland, poverty rates are escalating into chronic poverty, food shortages are also widespread.

Employment and job crisis is rising and following this crime and violence rates are also increasing gradually.

Abuse of women and children is unavoidably high so social, economic and cultural practices create legalised gender inequalities and discrimination. It has 26% prevalence of HIV. Swaziland also has the most severe level of infection in the world.

Democratic Republic of the Congo



HISTORY

1870s- Belgian King Leopold II sets about colonizing the area as his private holding

1980- Congo Free State placed under Belgian rule following outrage over treatment of Congolese

1960- Independence, followed by civil war and temporary fragmentation of country

1965- Mobutu Sese Seko seizes power

1997- Rebels oust Mobutu. Laurent Kabila becomes president

2002-2003- Civil war, drawing in several neighbouring countries (Africa's First World War)

2003-2012 - Conflict persists in the east

2006- Presidential elections

GEOGRAPHY

The Democratic Republic of the Congo is in sub Saharan Africa and has an area of 2.34 million km². The natural resources the country produces are diamonds, copper, coffee, cobalt and crude oil.

Lakes and rivers are situated throughout the country. The Congo River flows from the south-eastern corner of the country to the north. The river then becomes the Luglaba River further downstream and goes over Stanley Falls, later going into the Atlantic Ocean. The river is 2,900 miles long and has many tributaries.

The Democratic Republic of the Congo's central area mostly consists of a large basin in which the Congo River flows. As a result the land is very fertile.

The Congo has a coastline of 37km which is along the South Atlantic Ocean.

POLITICS

The Republic of the Congo is a presidential republic where the President is the head of state and the head of government. Denis Sassou-Nguesso suspended the constitution approved in 2000 and a new constitution was adopted by referendum in 2002 and returns to the earlier model with a seven year presidential term.

Since independence, the Republic of the Congo has been a key player across Africa due to its central location. Due to the Congo's size, mineral wealth and strategic location, the Congo was able to capitalise of the Cold War tensions to gain support from the west. In the 1990s, Western supported was reduced as pressure for internal reform was increased towards the end of the Cold War and the growing evidence of human right abuses.

The Democratic Republic of the Congo is in a civil war that has drawn in military forces from neighbouring Uganda, Burundi and Rwanda to help the rebel movement which occupies much of the eastern portion of the state. A problem is the continuing theft of mineral resources by occupying forces. The Democratic Republic of the Congo is unable to make any money from its mineral wealth as the country is unable to tax anything in rebel held areas. The wealth is also used to finance insurgent activities.

ECONOMY AND TRADE

The GDP of the Republic of the Congo was \$14.43 billion in 2011

The GDP per capita was 3,484.66USD (2011)

The population in 2011 was 4.14 million (2011)

The GDP growth rate saw a 3.4% annual change (2011)

The Republic of Congo's trade-to-GDP ratio was 138.1

The country exported US\$6.1 billion in merchandise and imported US\$2.9billion

Economic co-operation between Congo and partners such as China, India and other Asian countries go back a long way

More recently relations with the Middle East such as United Arab Emirates and Saudi Arabia have begun.

Asia is Congo's leading client with 56% of total exports in 2009 followed by the US, Mexico, Brazil and Argentina which represent 20%. Europe and other African countries account for the remainder.

China is the leading Asian partner with a 40% of Congo's exports, notably oil and timber.

Pakistan



HISTORY

Pakistan's history contains many rulers both local and international rulers. After gaining independence in 1947 from the British rule, Pakistan and India came to war with each other. In 1949 Pakistan's constitution assembly passed objectives resolutions, but these resolutions were mainly based on Islam in comparison to today's democracy. After the initial war with India, instability within the country caused another war in 1956, this instability escalated into the use of guerrilla weapons and warfare. Pakistan's defeat allowed the creation of now what is known as Bangladesh. After this period of time the president of Pakistan died and the first new general elections occurred in 1988 and by the vote of the people the first female president was elected Benazir Bhutto. Some years later Benazir was assassinated, which allowed many political changes in the country which later resulted in her husband Asif Ali Zardari in 2008 becoming president.

GEOGRAPHY

Pakistan is a southern Asian country which borders India, Afghanistan and China. Pakistan has a very hot and dry climate to offer with most of the days being hot. This has caused the terrain to be flat, plain and have a fairly desert environment. The country has many natural resources such as extensive natural gas, petroleum and copper. All of which that can be used for economic uses. Pakistan is rated 146th in the world's development index as they still have environmental issues such as water pollution which has caused a lack of freshwater resources. Pakistan is also a country that is prone to natural disasters such as earthquakes and flooding caused by heavy monsoon rains.

ECONOMY AND TRADE

Pakistan's growth since independence has been higher than the world's average growth rates. Since Pakistan's recession 5 years after independence they have been growing every year. But due to the current economic climate Pakistan have now reached a balance of payments crisis. The International Monetary Fund bailed out Pakistan in November 2008 to avert a balance of payments crisis and in July last year increased the loan to \$11.3 billion from an initial \$7.6 billion.

Some facts and figures:

GDP purchasing power: \$523.9 billion

3.7% real GDP growth

Labor force 59.21 million

Unemployment rate 6.2% in 2012

Budget deficit - \$-14.67 billion

Inflation rate 9.7%

Peru



HISTORY

It is estimated that humans have lived in Peru for around 13,000 years. In 1532-33 the Spanish took over as they defeated the Incas and made the capital Lima. In 1824 Peru became the last South American country to become independent from Spain.

In recent times Peru has had a corrupt government and police force as they battled with their drug trafficking problem. From 1980-2000 it is believed around 4000 'disappeared' as a result of the on-going guerrilla warfare of a group called the Shining Path.

The problem hit a peak in 1990 as 3000 political murders were reported and inflation reached 400%. President Alberto Fujimori appeared to make problems better but resigned in 2000 after political scandals. He is serving 25 years in prison for human rights abuse.

POLITICS

There has previously been a lot of unrest in Peru as there was a conflict between the state and the Shining Path guerrilla group. They have a President who appoints a Prime Minister, however, the President is democratically elected.

Peru has previously had poor international relations, especially with the USA as the government refused American intervention on the war on drugs.

Many countries removed all aid from Peru, notably Spain and Germany after Fujimori removed the government congress in 1992.

Now Peru has reasonable international relations now and in 1998 Peru and Ecuador signed a peace deal that settled the border disagreements.

POVERTY & INCOME INEQUALITY

Peru's HDI level has increased recently and was 0.741 in 2012.

Peru's distribution of family income also known as Gini index has also improved recently, where it was 46 in 2010 and 51 in 2005. This shows that is improving its income inequality yet is still not particularly equal.

Peru has become more equal in recent years due to the government which has set up a new social inclusion policy and has targeted income inequality as a problem.

Peru relies heavily on exports to make up its economy, particularly natural resources. This means that is often under threat from environmental protests that hinders the growth.

References

These websites are excellent resources for finding out key economic information, and keeping up-to-date with the latest news in development economics

- [CIA Factbook](#)
- [Guardian Development](#)
- [World Bank Data](#)
- [Oxfam](#)
- [Christian Aid](#)

You can also find out lots of useful information and weblinks on Twitter [@dizleeducation](#)

I would also strongly recommend you follow [@tutor2u_econ](#) and [@economicsuk](#) as well as making use of the [Tutor2u website](#) to assist with your revision.