

# Distribution of MDCs and LDCs

Finding the “First World” and the  
“Third World”

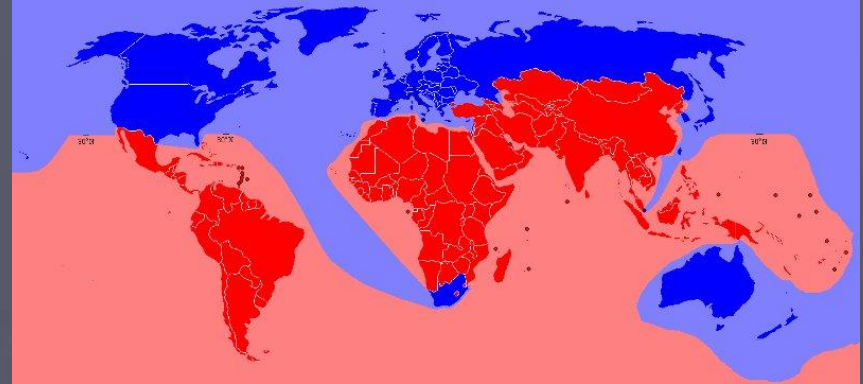
# Regions of Development

- Nine major regions
  - North America, Europe (MDCs)
  - Latin America, East Asia, S.W. Asia/North Africa, S.E. Asia, Central Asia, South Asia, Sub-Saharan Africa (LDCs)
- Three 'significant areas'
  - Japan, Oceania, Russia



# More Developed Regions

- Nearly all developed regions are found north of 30 degrees N. latitude (north-south split)
- MDCs in the north have relatively high HDIs
- Southern countries have lower HDIs



# Using the HDI

- Countries with scores between 1.000 and .900 are considered MDCs
- Countries with scores between .899 and .800 are in the middle
- Countries under .800 are considered LDCs



# More Developed cont'd

- North America (HDI 0.95)
  - U.S. – 13<sup>th</sup> in HDI worldwide
  - High in GDP Per Capita and literacy rate
  - Lower in education and life expectancy
    - High school dropouts
    - Inadequate health-care coverage



# More Developed cont'd

- Europe (HDI 0.93)
  - European Union makes Europe the world's richest market
  - 15 of the 19 highest HDIs are in Europe, but southern/eastern countries lag behind
    - Highly dependent on international trade
    - Struggling recently with recession and financial instability





# More Developed cont'd

- Russia (HDI 0.73)
  - Transitioned to a market economy after Soviet Union collapsed in 1991
  - Painful struggle with high unemployment and corruption (HDI was above 0.9 in 1980s)
  - Slow rebound tied to oil production



# More Developed cont'd

- Japan (HDI 0.96)
  - Different culture than other MDCs
  - Low ratio of population to resources
  - Strength: rigorous education system, skilled labor force
  - Specialty: electronics, cars
- Oceania (HDI 0.90)
  - Australia and New Zealand (other islands lag behind)
  - Key exports: iron ore, lead, nickel, titanium





# Less Developed Regions

- Latin America (HDI 0.82)
  - Highest HDI of LDC regions
  - Development levels vary sharply
    - Coastal areas have high GDP per capita
    - Development lags in the interior areas
    - Economy is closely linked to the U.S. (especially Mexico)



# Less Developed cont'd

- East Asia (HDI 0.77)
  - Main player: China (2<sup>nd</sup> largest economy)
  - World's largest manufacturer (tied closely to Wal-Mart)
  - Problems:
    - Low wages
    - Weak management
    - Primitive banking system
    - High levels of pollution



# Less Developed cont'd

- S.W. Asia/N. Africa
  - Key: Oil reserves
  - Huge gap between oil producing and non-producing countries
  - Impact of Islamic faith:
    - Daily prayers disrupt business activities
    - Women excluded from jobs and public places
    - Result: development is lower than it could be



# Less Developed cont'd

- Southeast Asia (HDI 0.73)
  - Indonesia, Vietnam, Thailand, Philippines
  - Climate is hot and rainy (difficult for farming)
  - 1930s-1980s: nearly continuous warfare
  - Key exports: palm oil, rubber, tin, rice, textiles





# Less Developed cont'd

- Central Asia (HDI 0.75)
  - Many former republics of the Soviet Union
  - Iran and Kazakhstan are fairly well-developed (reason: oil production)
  - Iran has used wealth to promote revolution, drive out western influences
  - Afghanistan: HDI unknown (war and instability)



# Less Developed cont'd

- South Asia (HDI 0.61)
  - India, Pakistan, Bangladesh, Sri Lanka
  - 2<sup>nd</sup> highest population, 2<sup>nd</sup> lowest GDP per capita
  - Big beneficiary of the Green Revolution
    - India now has 4<sup>th</sup> largest economy
    - Leading exporter of rice, wheat, services (telemarketing)





# Less Developed cont'd

- Sub-Saharan Africa (HDI 0.51)
  - High levels of poverty, poor health, low education levels, war, instability
  - Landlocked states are most vulnerable
  - #1 problem – entire region has dry or tropical climates
    - Cannot support large concentrations of people
    - Africa – world's highest natural increase rate

