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Grade Weighting: **4**

Definition:

Single indicators are individual means of measuring a nation´s economic development. There are three main types of single indicators: Financial measures (such as GDP, GNP etc.), health measures and education measures. These allow both developing countries and developed countries (especially those, who are heavily involved in FDIs (Foreign Direct Investment)) to have an insight into the economic progress being made towards developing certain third world nations.

Example (if applicable):

Comparing the GDP per capita to the GNI p.c. is a very common way of assessing a country´s economic development. If the GNI per capita is lower than the GDP per capita, it is a sign that the country is doing quite well as to using their assets efficiently.

IB Exam Question: Distinguish between GDP per capita figures and GNI per capita figures.

Single indicators

Main Idea 1:

- **GDP per capita** refers to the total economic activity in a particular country, whether of the nation itself or foreign nature
- **GNI per capita** references the total economic activity, no matter where the specific assets are located
- Less developed countries tend to have a lower GNI due to lack of efficient resources; however, given that many countries give aid or FDIs to that country, a much higher GDP (vice versa)

Main Idea 2:

- Health measures such as the **Life expectancy rate** and **Infant mortality rate** give an insight into how well LEDC countries can cope with e.g. diseases
- Progress would be symbolized by respectively high and low values

Main Idea 3:

- Education indicators play a huge role in measuring a countries development since producing skilled labour is crucial for building a strong infrastructure
- The **Adult literacy rate** and **Primary school enrolment** offer economists an insight into whether the population is turning into a useful, skilled resource

Further Notes:

- Since the purchasing power in different countries is different (meaning that the same amount of money could buy more/less, possibly regulated by the current inflation rate), economists use the **PPP** or **Purchasing Power Parity** to relate the costs in different countries to each other
  - Similar to an exchange rate
- One of the main problems with the GDP per capita is that a large stream of FDIs often distort the numbers and give a false impression of the countries true economic standpoint. In the case of South Sudan, however, the booming oil industry certainly plays a role in the high figures

Diagram:

	South Sudan	Kenya	Rwanda	Tanzania	Uganda	Ethiopia	Burundi
GDP/cap	1,546	769	548	527	503	350	189
GNI/cap	984	780	540	530	490	380	160

Caption: *As the table shows, the GDP is generally slightly higher than the GNI – we can assume that South Sudan either has a thriving industry or a high FDI.*