The relationship between MDCs and LDCs—described at the beginning of the chapter as a north–south split—appears somewhat different on a north polar projection. MDCs form a triangular-shaped inner-core area, whereas LDCs occupy peripheral locations (Figure 9-32). This unorthodox world map projection emphasizes the central role played by MDCs in the world economy and the secondary role of LDCs.

In an increasingly unified world economy, the MDCs clustered in the core play dominant roles in forming the economies of the LDCs on the periphery. North America, Europe, and Japan account for a high percentage of the world's economic activity and wealth. The LDCs in the periphery have less access to the world centers of consumption, communications, wealth, and power, which are clustered in the core. The development prospects of Latin America are tied to governments and businesses in North America, those of Africa and Eastern Europe to Western Europe, and those of Asia to Japan and to a lesser extent Europe and North America.

To reduce disparities between MDCs and LDCs, the United Nations has set eight so-called Millennium Development Goals:

1. End poverty and hunger. Extreme poverty has been cut substantially in the world, primarily because of success in Asia, but it has not declined in sub-Saharan Africa.
2. Achieve universal primary (elementary school) education. The percentage of children not enrolled in school remains relatively high in South Asia and sub-Saharan Africa.
3. Promote gender equality and empower women. Gender disparities remain in all regions, as discussed in Key Issue 3 of this chapter.
4. Reduce child mortality. Infant mortality rates have declined in most LDCs, but not in most countries in sub-Saharan Africa.
5. Improve maternal health. One-half million women die from complications during pregnancy; 99 percent of these women live in LDCs.
6. Combat HIV/AIDS, malaria, and other diseases. The number of people living with HIV continues to rise, as discussed in Chapter 2.
7. Ensure environmental sustainability. Water scarcity and quality, deforestation, and overfishing are especially critical environmental issues, according to the United Nations (see Chapter 14).
8. Develop a global partnership for development. Aid from MDCs to LDCs has been declining.

Here again are the key issues concerning development:

1. **Why Does Development Vary Among Countries?** Development is the process by which the material conditions of a country's people are improved. An MDC has a higher level of per capita GDP, achieved through a transformation in the structure of the economy from a predominantly agricultural to a service-providing society. MDCs use their wealth in part to provide better health, education, and welfare services. Conversely, LDCs must use their additional wealth primarily to meet the needs of a rapidly growing population.

2. **Where Are MDCs and LDCs Distributed?** We can identify two regions of MDCs—North America and Europe—plus three other developed areas—Japan, Oceania, and Russia. Seven regions of LDCs include Latin America, East Asia, Southwest Asia, Southeast Asia, Central Asia, South Asia, and sub-Saharan Africa. These less developed regions have varying prospects for promoting development.

3. **Where Does Level of Development Vary by Gender?** The United Nations has found evidence of gender inequality in every country of the world. Women have lower levels of income, literacy, and education than men. Even in countries where women have achieved near equality with men in living conditions, they still have much less economic and political power.

4. **Why Do LDCs Face Obstacles to Development?** LDCs choose between the international trade and the self-sufficiency paths toward development. In either case, LDCs may need to borrow considerable sums of money to promote development. The inability of many LDCs to pay back these loans is a source of considerable tension between them and MDCs.
CASE STUDY REVISITED / Future Prospects for Development

The most fundamental obstacle to development in many LDCs is gender inequality. A precondition for effective nurturing of take-off industries and effective use of loans is ensuring an effective role for women in the development process. Excluding women is not merely unfair, it wastes a major economic asset.

One organization trying to do something about the legacy of gender inequality in South Asia is the Grameen Bank (Figure 9-33). Based in Bangladesh, Grameen specializes in making loans to women, who make up three-fourths of the borrowers since the bank was established in 1977. For founding the bank, Muhammad Yunus was awarded the Nobel Peace Prize in 2006.

The Grameen Bank has made several hundred thousand loans to women in Bangladesh and neighboring South Asian countries, and only 1 percent of the borrowers have failed to make their weekly loan repayments, an extraordinarily low percentage for a bank. Several million loans have also been provided to women by the Bangladesh Rural Advancement Committee.

Rabea Rahman borrowed $90 from the Grameen Bank to buy a cow. Earnings from selling the cow’s milk enabled her to buy her son an $85 rickshaw bicycle so that he could make a living. The smallest loan the bank has made was $1, to a woman who wanted to sell plastic bangles door to door. Other women have borrowed money to make perfume, bind books, and sell matches, mirrors, and bananas. The average loan is about $60.

FIGURE 9-33 The Grameen Bank. In the village of Sharifun Begeum, Bangladesh, women are paying back their loans to the Grameen Bank.

KEY TERMS

Development (p. 274) A process of improvement in the material conditions of people through diffusion of knowledge and technology.

Fair trade (p. 301) Alternative to international trade that emphasizes small businesses and worker-owned and democratically run cooperatives and requires employers to pay workers fair wages, permit union organizing, and comply with minimum environmental and safety standards.

Foreign direct investment (FDI) (p. 298) Investment made by a foreign company in the economy of another country.

Gender Empowerment Measure (GEM) (p. 289) Compares the ability of women and men to participate in economic and political decision making.

Gender-Related Development Index (GDI) (p. 289) Compares the level of development of women with that of both sexes.

Gross domestic product (GDP) (p. 275) The value of the total output of goods and services produced in a country in a given time period (normally 1 year).

Human Development Index (HDI) (p. 274) Indicator of level of development for each country, constructed by the United Nations, combining income, literacy, education, and life expectancy.

Less developed country (LDC) (p. 274) A country that is at a relatively early stage in the process of economic development.

Literacy rate (p. 278) The percentage of a country’s people who can read and write.

Millennium Development Goals (p. 302) Eight international development goals that all members of the United Nations have agreed to achieve by 2015.

More developed country (MDC) (p. 274) A country that has progressed relatively far along a continuum of development.

Primary sector (p. 276) The portion of the economy concerned with the direct extraction of materials from Earth’s surface, generally through agriculture, although sometimes by mining, fishing, and forestry.

Productivity (p. 276) The value of a particular product compared to the amount of labor needed to make it.

Secondary sector (p. 276) The portion of the economy concerned with manufacturing useful products through processing, transforming, and assembling raw materials.
**Structural adjustment program** (p. 300) Economic policies imposed on less developed countries by international agencies to create conditions encouraging international trade, such as raising taxes, reducing government spending, controlling inflation, selling publicly owned utilities to private corporations, and charging citizens more for services.

**Tertiary sector** (p. 276) The portion of the economy concerned with transportation, communications, and utilities, sometimes extended to the provision of all goods and services to people, in exchange for payment.

**Transnational corporation** (p. 299) A company that conducts research, operates factories, and sells products in many countries, not just where its headquarters or shareholders are located.

**Value added** (p. 276) The gross value of the product minus the costs of raw materials and energy.

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**THINKING GEOGRAPHICALLY**

1. Review the major economic, social, and demographic characteristics that contribute to a country’s level of development. Which indicators can vary significantly by gender within countries and between countries at various levels of development? Why?

2. Some geographers have been attracted to the concepts of Immanuel Wallerstein, who argued that the modern world consists of a single entity, the capitalist world economy that is divided into three regions: the core, semiperiphery, and periphery. How have the boundaries among these three regions changed?

3. China historically relied on self-sufficiency to promote development, whereas Hong Kong was a prominent practitioner of international trade. Explain how these two approaches have been reconciled since Hong Kong became part of China in 1997.

4. Some LDCs claim that the requirements placed on them by lending organizations such as the World Bank impede rather than promote development. Should LDCs be given a greater role in deciding how much the international organizations should spend and how such funds should be spent? Why or why not?

5. In what ways has the severe recession encouraged countries to switch from international trade to self-sufficiency? What are the advantages and challenges of returning to self-sufficiency in poor economic conditions?

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**RESOURCES**

Some recent and classic books and articles on development geography:


Journals featuring development geography:

Key Internet sites:
http://hdr.undp.org. The complete Human Development Index Report includes numerous indicators that can be viewed for every country. The web site also includes an interactive calculator that permits the user to see the impact on the HDI from changing the values of one or more of the variables.
http://earthtrends.wri.org/. The indicators cited in this chapter that are not part of the Human Development Index Report can be found through the Earth Trends portion of the World Resources Institute (WRI) web site.
www.NationMaster.com. Several data sources, including the United Nations and the CIA, are brought together on this web site.

Log in to www.mygeoscienceplace.com for videos, interactive maps, RSS feeds, case studies, and self-study quizzes to enhance your study of Development.