Case Study
Chapter 9

The following two people live in different parts of the world. See if you can figure out where they live based on their descriptions and the GDP and HDI numbers for their countries.

Person X lives in one of the poorest countries in the world with a GDP around $1000, a very low average income. There are few millionaires in this country although the elite live very comfortably. Most citizens, however, live in abject poverty. The HDI isn't much better at .416. The global average is .711 with the top countries in the .900 range. This person has a low standard of living, no formal education or training, and low life expectancy.

Person Y lives in one of the wealthiest countries in the world with a GDP in the $60,000 range and HDI in the .900 range, resulting in a high standard of living and the opportunity to attain a formal education and training for most people in this nation. This person has good health care and a high life expectancy, and lives in a country of safety and stability.

1. **Why is *Global South* a preferred term than *third world* or *developing nation*? What are its limitations? Do you agree that *Global South* is a better term for these countries?**
2. **What is the difference between GDP and HDI? Why is it important to look about both of these numbers when assessing the income and prosperity of people living in a specific country?**
3. **Based on the description of Person X, in what part of the world does this person live? What are your thoughts on their life in this country based on the GDP and HDI? Were you surprised by these numbers? Why or why not?**
4. **Based on the description of Person Y, in what part of the world does this person live? What are your thoughts on their life in this country based on the GDP and HDI? Were you surprised by these numbers? Why or why not?**
5. **What is happening when a country's GDP is higher, but their HDI is lower?**

Sample Answers:

1. The terms *third world* and *developing nation* sound hierarchal and may be viewed as condescending and "less than" other countries. The terms *Global South*, and *Global North*, have limitations because they restrict countries to their geographical location.

2. GDP stands for Gross Domestic Product and is defined by the text as "the total income of all the residents of a country divided by its population." HDI stands for Human Development Index and is defined by the text as "a statistical tool, developed by the United Nations, to measure and rank countries' levels of social development in addition to their economic development." It is important to look at both because the "HDI combines three important measures of well-being to give a fuller, more contextualized image of people's conditions than solely looking at income (UNDP, 2015)." Therefore, looking at both of these numbers gives us a better sense of global inequality.

3. Person X likely lives in the Global South, probably Africa since most of the lowest GDP and HDI numbers are reported in this continent. More specifically, based on these numbers, the person likely lives in Mozambique. The fact that both numbers are so low indicates a very low standard of living and very limited opportunities for education and health care. Students will likely be surprised at how low these numbers are, especially when compared to the Top Ten countries.

4. Person Y likely lives in the Global North based on the GDP and HDI but only a couple countries have high numbers for both; therefore, this person is likely from Norway, a country that has the highest HDI and still appears in the Top Ten for GDP. Students may note that there is such a vast gap between the top and bottom countries, demonstrating the dire situation of global income inequality.

5. A country's GDP may be higher but that can be because a few people in the country monopolize a vast majority of the wealth whereas most citizens live at a much lower income. HDI provides a more robust and accurate assessment of a person's well-being in a particular country since this number is not inflated and is based on three different categories, not just income. It is therefore important to look at both numbers.