

The world
categorized into
medcs nics and ledcs



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This report has been written because I aim to gratefully and humbly share what I have learnt on world economy with everyone by posting them on free essay website. Hopefully, they will understand about more economically developed countries (MEDCs), newly industrialized countries (NICs) and less economically developed countries (LEDCs) and why must the world be divided into such categories. Please forgive me if what I have written was incorrect as I am not an expert on this topic. If I think I can change people's minds, I am like flogging a dead horse because different people have different opinions. Humans communicate naturally and many economic models have been presented in an attempt to understand what drives our communication. Effective communication is the key to forming healthy relationships with others. All of us make economic decisions every day. Therefore, it is very important to understand how economics affect us. Economics is not just about finances and wealth but about decisions, choice and opportunity too. This report defines MEDCs, NICs and LEDCs, their differences, the criterion used to categorize countries, objective of categorization of countries and why must the world be categorized into them. It doesn't cover the history, trend, law of demand and law of supply. The economy of a country, state, region or other areas consists of the manufacturing, production, trade, distribution, and consumption of goods and services, labour, capital and land resources of those areas. Some countries are blessed with good economy because of its technological evolution, history and social organization, as well as its geography, natural resources such as oil, diamonds, gold and a good and healthy ecology.

Development of a country describes the growth of the country's economy. Development is often taken to mean the wealth of a country. A country's level of development reflects on how much income it produces and how well people live relative to other countries. Countries with high incomes and high conditions of living are considered a more economically developed country (MEDC). The term MEDC is one used by modern geographers to specifically describe a country's economic development. The former secretary general of the United Nations, Kofi Annan defined a developed country as one that allows all the citizens to enjoy a free and healthy life in a safe environment. About 20% of the world's countries are in the developed category and the ten largest MEDC countries are United Kingdom, United States of America, Canada, Australia, Japan, France, Republic of Korea, Germany, Italy and Spain. The criterion for evaluating the degree of economic development is Gross Domestic Product (GDP), the per capital income, level of industrialization, the amount of widespread infrastructure and general standard of living. Developed countries have post-industrial economies, meaning the service sector provides more wealth than the industrial sector. Only 3 institutions have produced lists of developed countries. The three institutions are the Central Intelligence Agency (CIA), Financial Times and Stock Exchange (FTSE) and United Nations (UN).

This is a population pyramid of the United Kingdom, which is a MEDC. As you can see, it is shaped like a rocket. From this population pyramid, we can find out that majority of the population in MEDCs are working population and there are many elderly dependants and a few young dependents. There are also more males than female as shown in the population pyramid. Women

also live longer than men in MEDCs. However, there are more boys than girls for the young dependents section. The gradual decrease in the number of males could have been caused by disease or old age.

Countries with low incomes and low conditions of living are considered a less economically developed country (LEDC). This country meets these three criteria; poverty (3 years average of Gross National Income per capita of less than US\$905, and it must exceed US\$1086 to leave the poverty list), human resource weakness (It is based on nutrition, health, education and adult literacy) and economic vulnerability (based on instability of agricultural production, instability of exports of goods and services, economic importance of non-traditional activities, merchandise export concentration, handicap of economic smallness, and the percentage of population displaced by natural disasters). These criteria are reviewed again after 3 years by the Committee for Development Policy (CDP) of the United Nations Economic and Social Council (ECOSOC). Some examples are Ghana, Haiti, Nepal, Brazil, China, Mali, Afghanistan and Africa (33 countries).

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This is a pyramid shaped population pyramid for Philippines. They have lots of children and people do not tend to live for a long time because of the low life expectancy rate for LEDCs. These countries populations grow rapidly as many more children are added to the population than people die. There are also more males than females in the young dependents section. Since Philippines is a LEDC, the low amount of elderly dependents could have been

caused by the poor quality of health care there. Males also tend to live longer than females.

The term NIC began when the four Asian tigers of Hong Kong, Singapore, South Korea and Taiwan rose to global prominence as NICs during the 1970s and 80s, with a fairly fast industrial growth since the 1960s. All four countries have high GNI per capita, open political process, a thriving export oriented economic policy and high income economies. Today, Newly Industrialized Country (NIC) apply to several countries like South Africa, Mexico, Malaysia, Brazil, China, India, Thailand, Philippines and Turkey whose economy has not yet reached the MEDC stage but has surpassed the LEDC stage. NICs usually have common features such as increased social freedoms and civil rights, strong political leaders, a switch from agricultural to industrial economies, an increasingly open-market economy, a large national corporation operating in several continents, strong capital investment from other countries, political leadership and rapid growth of population.

This is the population pyramid of India, a current NIC. As you can see, this population pyramid is dome-shaped, which is a common shape for the population pyramids of the NICs. This population pyramid shows that the numbers of young dependents are the most common in NICs. The number of elderly dependents are the least probably because of the health care that is middle class, old age or the diseases that killed them.

Of the 7 billion people in the world today, it is estimated that 1.5 billion live in more economically developed countries and 5.5 billion live in developing ones. The strengths of MEDCs are their nation has high birth rates and low

death rates because of their ability to buy expensive medical equipment and to provide free medical healthcare for the poor. Therefore, the life expectancy rate is high. People can expect to live up to 78 years. Majority of the people in MEDCs also have adequate housing and access to running water and electricity. The literacy rate in MEDCs are also quite high because the government has the ability to provide free schools for children from middle class families who doesn't have the money to send their child to a private or international school. The GNP is also higher in MEDCs. The technologies in MEDCs are also very advanced as the MEDCs always come up with cool gadgets such as the iPhone. MEDCs also have very well maintained and developed infrastructures which provide great comfort for travellers.

The weaknesses of MEDCs are that they have very little young dependents to help the family with housework and to take care of their old folks, which are growing in population. The overdevelopment of a country also causes pollution, which lowers the life expectancy rate and causes global warming. Deforestation also happens everywhere as massive unemployment and the demand for new workspace occurs. Today, the United States is facing an economic disaster due to the inability to produce what it requires to sustain themselves. This happens because they import much more than they export. The United States are also selling off their assets to other countries and taking on massive debts just to sustain a standard of living which they can no longer afford. Its industry has been so disarmed and dismantled that they now lack the knowledge, investment capital and capacity to facilitate self-sustaining production.

The strengths of LEDCs are that it produces many of the world's raw materials such as diamonds, oil and rice. They sell these materials to MEDCs for a relatively low price. Besides that, the birth rates of LEDCs are also high (about 20-45 people born per 1000 people). The weaknesses of LEDCs are that its death rate is high due to poor health care and a wide spread of disease. LEDCs also have a very low life expectancy rate as a high proportion of children are expected to die before the age of 5 due to poor health care and lack of food. About 35000 babies die every day also due to poor health care and lack of food. People in LEDCs also have inadequate housing and access to running water and electricity so there are large shanty towns in many areas which consists of poorly built properties. The literacy rates in LEDCs are low because the poor people are unable to send their children to school and in some areas, there might not even be a school because of the lack of teachers. The LEDCs also have too many young dependents so the working population will use up more effort to feed them. The GNP in LEDCs is also low (under US\$1250). Many LEDCs do not have the money to afford the modern technology which would help the health care of that country a lot and improve levels of employment. Most of the foods in LEDCs are produced in small amounts because of small and inefficient farms which are affected by extreme weather. This means that the food produced in the LEDC is inadequate to sustain themselves.

NICs usually benefit from low labour costs and as a result, it can outproduce and outperform factories in developed countries. The NICs key to success was buying imported technology. The private domestic investment and rapidly growing human capital were the main cause of the economic growth.

The agriculture, while declining in relative importance, experienced rapid growth and productivity improvement.

Issues of NICs are that it has very little political freedom such as the People's Republic of China, where Online Censorship and human rights violation are not uncommon. It is opposite for India because India has been widely criticised because of the inefficient government and widespread corruption. South Africa faces the problem of illegal immigrants from Zimbabwe whereas Mexico's economy is threatened by criminal and drug related violence. Many of the NICs have a structural dependence on Japanese technology.

According to the United Nations, the designations " developed" and " developing" are developed for statistical convenience and do not necessary express judgement about the stage reached by a particular country or area in the development process. Other objective of categorizing countries into MEDCs is that it raises the awareness of the country's status in economic development so that the country can make future plans with very little risk. MEDCs are also a favoured place for migration because of its great economy. The MEDC also earns more money from tourism as tourists and migrators flock to them. Many famous universities like Harvard and Oxford are in MEDCs so they are great places to seek education. The information provided after categorization also serves as an excellent business opportunity as many famous companies like Microsoft, Apple, BMW are founded in MEDCs. MEDCs are also categorized because they serve as a data bank for the public, businessman, employers, veterans, job seekers, tourism and technology transfers.

The objectives of categorizing countries into LEDCs are more to serve as a data bank for information. MEDCs can buy raw materials in LEDCs for a relatively low price. Cheap labours are also available in LEDCs. MEDCs are also encouraged to support LEDCs in terms of business opportunities and partnership. After categorizing the countries into LEDCs, the United Nations can be more focused and committed to eradicate extreme poverty and hunger, achieve universal primary education, promote gender equality and empower women, reduce child mortality, improve maternal health, combat HIV/AIDS, malaria, cancer and other diseases, ensure environmental sustainability and develop a global partnership for development for LEDCs.

NICs are categorized for statistical reasons as well. Countries that are categorized into NICs will know their strengths and weaknesses better and try to plan to emerge from the dregs of economic backwardness and bask in the glory of being a MEDC with other MEDCs. NICs must adopt the newest technologies, move into new product lines and diversify their exports to become a MEDC. The NICs must also constantly have long-term vision for economic growth. The country should also invest heavily in education because education is more likely to innovate and raise the standard of the whole nation. The NIC could also learn from previous mistakes and pick and choose the existing technologies they would like to adopt. If the NIC doesn't have enough money to adopt the technology, they can always loan it from an MEDC which has those technologies. NICs should also protect its industries and subsidize them until they are strong enough to compete with the outside world.

There is criticism of the use of the term 'developing country'. The term implies inferiority of a 'developing country' or 'undeveloped country' compared to a 'developed country', which many countries dislike. It assumes a desire to 'develop' along the traditional 'Western' model of economic development which a few countries, such as Cuba and Bhutan, have chosen not to follow.

The term 'developing' implies mobility and does not acknowledge that development may be in decline or static in some countries, particularly in southern African states worst affected by HIV/AIDS. In such cases, the term developing country may be considered a euphemism. The term implies homogeneity between such countries, which vary widely. The term also implies homogeneity within such countries when wealth (and health) of the most and least affluent groups varies widely. Similarly, the term 'developed country' incorrectly implies a lack of continuing economic development/growth in more-developed countries.

In general, development entails a modern infrastructure (both physical and institutional), and a move away from low value added sectors such as agriculture and natural resource extraction. Developed countries, in comparison, usually have economic systems based on continuous, self-sustaining economic growth in the tertiary sector of the economy and quaternary sector of the economy and high material standards of living. However, there are notable exceptions, as some countries considered developed have a significant component of primary industries in their national economies, e. g., Norway, Canada, Australia. The USA and Western Europe have a very important agricultural sector, and are major players in <https://assignbuster.com/the-world-categorized-into-medcs-nics-and-ledcs/>

international agricultural markets. Also, natural resource extraction can be a very profitable industry (high value added), e. g., oil extraction.

An alternative measurement of that has been suggested is that of Gross national happiness. Measuring the actual satisfaction of people as opposed to how money orientated a country is. Miracle in economy development it may not be, but learning experience it is. Investment in human capital and high saving rates, as well as market oriented decisions by a strong state are all the lessons that the developing nation can take.

In my opinion, I think that there is no right or wrong to categorize the world into MEDCs, NICs and LEDCs. It is merely just for reference material, not some plan to make LEDCs feel inferior and not part of this world. In fact, every country that is categorized has its use! For example, South Africa exports diamonds and Mali exports copper. The categorization can also be used for good because it directs the attention of the whole world to the less fortunate LEDCs and encourages the MEDCs and NICs to appreciate what they have and support them in every way they can. Then only can our world be a united community of different races and religions.

Information sources

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