

1. Complete the table below with notes from the text on two different models of development.

APPROACHES TO ECONOMIC DEVELOPMENT		
	Self-Sufficiency Model	International Trade Approach (Rostow's Development Model)
Elements		
Problems & Criticisms		

Economic Development: Key Issue 4

Why Do Less Developed Countries Face Obstacles to Development?

Rubenstein, pp. 314-322

3b. Why have each of the following groups been critical of the WTO?

i. Liberals:

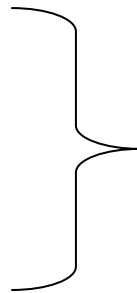
ii. Conservatives:

Transnational Corporations

4. What is a *transnational corporation*?

5. List the five countries in which most transnational corporations are headquartered.

- a.
- b.
- c.
- d.
- e.



These countries
contain > _____%
of world trade

6. The flow of money in transnational corporations is not balanced. This is true in TWO ways. Explain.

7. Who is making the primary investments in South America? in Asia?

On the map, shade in RED the five countries in which most transnational corporations are headquartered. In BLUE, shade the 11 or 12 countries which have received the bulk of the money from transnationals. Draw the Brandt Line on the map.



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● **FINANCING DEVELOPMENT**

8. What are the two principal ways in which LDCs obtain money to finance development?

a.

b.

Loans

9. Identify the two main sources, both controlled by MDCs, of loans for LDCs.

a.

b.

10. What is the THEORY behind using loans for infrastructure projects in LDCs?

11. In PRACTICE, what has usually happened when loans have been used for these infrastructure projects?

12. What are *structural adjustment programs*?

13. Why do LDCs enact structural adjustment programs, even though they may be unpopular with the citizens of their countries?

FAIR TRADE

14. What is fair trade?

15. Describe Fair Trade Producer Standards

16. Describe Fair Trade Worker Standards