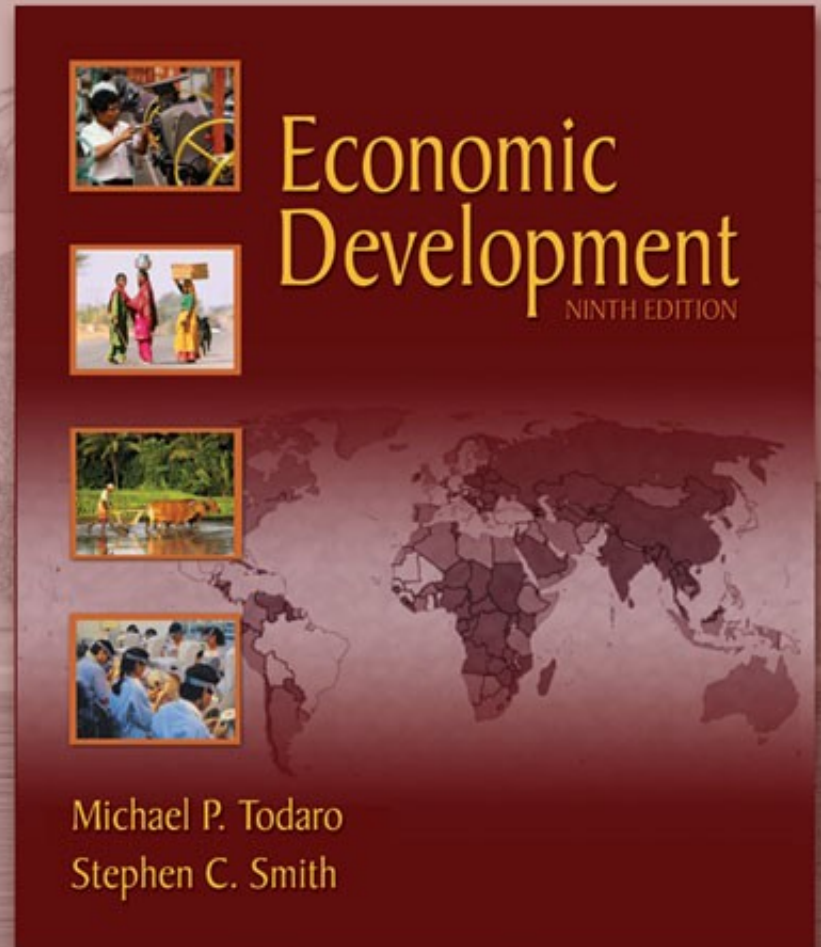


# Chapter 2

## Comparative Development: Differences and Commonalities among Developing Countries



# Defining the Developing World

- The UN's System
- World Bank's System
  - Classification by levels of GNI per capita (Table 2.1)
- The UNDP's Human Development Index
  - Classification by levels of human development (Table 2.9)
- The OECD's system

**TABLE 2.1** Classification of Economies by Region and Income, 2003

<b>East Asia and the Pacific</b>		<b>Latin America and the Caribbean</b>		<b>South Asia</b>	
American Samoa	UMC	Antigua and Barbuda	UMC	Afghanistan	LIC
Cambodia	LIC	Argentina	UMC	Bangladesh	LIC
China	LMC	Belize	UMC	Bhutan	LIC
Fiji	LMC	Bolivia	LMC	India	LIC
Indonesia	LMC	Brazil	LMC	Maldives	LMC
Kiribati	LMC	Chile	UMC	Nepal	LIC
Korea, Dem. Rep.	LIC	Colombia	LMC	Pakistan	LIC
Laos	LIC	Costa Rica	UMC	Sri Lanka	LMC
Malaysia	UMC	Cuba	LMC		
Marshall Islands	LMC	Dominica	UMC	<b>Sub-Saharan Africa</b>	
Micronesia	LMC	Dominican Republic	LMC	Angola	LIC
Mongolia	LIC	Ecuador	LMC	Benin	LIC
Myanmar	LIC	El Salvador	LMC	Botswana	UMC
Palau	UMC	Grenada	UMC	Burkina Faso	LIC
Papua New Guinea	LMC	Guatemala	LMC	Burundi	LIC
Philippines	LMC	Guyana	LMC	Cameroon	LIC
Samoa	LMC	Haiti	LIC	Cape Verde	LMC
Solomon Islands	LIC	Honduras	LMC	Central African Republic	LIC
Thailand	LMC	Jamaica	LMC	Chad	LIC
Tonga	LMC	Mexico	UMC	Comoros	LIC
Vanuatu	LMC	Nicaragua	LIC	Congo, Dem. Rep.	LIC
Vietnam	LIC	Panama	UMC	Congo, Rep.	LIC
		Paraguay	LMC	Côte d'Ivoire	LIC

**TABLE 2.1** (continued)

<b>Europe and Central Asia</b>		Peru	LMC	Equatorial Guinea	LIC
Albania	LMC	St. Kitts and Nevis	UMC	Eritrea	LIC
Armenia	LMC	St. Lucia	UMC	Ethiopia	LIC
Azerbaijan	LMC	St. Vincent and the Grenadines	UMC	Gabon	UMC
Belarus	LMC	Suriname	LMC	Gambia	LIC
Bosnia and Herzegovina	LMC	Trinidad and Tobago	UMC	Ghana	LIC
Bulgaria	LMC	Uruguay	UMC	Guinea	LIC
Croatia	UMC	Venezuela	UMC	Guinea-Bissau	LIC
Czech Republic	UMC			Kenya	LIC
Estonia	UMC			Lesotho	LIC
Georgia	LMC			Liberia	LIC
Hungary	UMC			Madagascar	LIC
Kazakhstan	LMC	<b>Middle East and North Africa</b>		Malawi	LIC
Kyrgyz Republic	LIC	Algeria	LMC	Mali	LIC
Latvia	UMC	Djibouti	LMC	Mauritania	LIC
Lithuania	UMC	Egypt	LMC	Mauritius	UMC
Macedonia	LMC	Iran	LMC	Mayotte	UMC
Moldova	LIC	Iraq	LMC	Mozambique	LIC
Poland	UMC	Jordan	LMC	Namibia	LMC
Romania	LMC	Lebanon	UMC	Niger	LIC
Russian Federation	LMC	Libya	UMC	Nigeria	LIC
Serbia and Montenegro	LMC	Morocco	LMC	Rwanda	LIC
Slovak Republic	UMC	Oman	UMC	São Tomé and Príncipe	LIC
Tajikistan	LIC	Saudi Arabia	UMC	Senegal	LIC
Turkey	LMC	Syria	LMC	Seychelles	UMC
Turkmenistan	LMC	Tunisia	LMC	Sierra Leone	LIC
Ukraine	LMC	West Bank and Gaza	LMC	Somalia	LIC
Uzbekistan	LIC	Yemen	LIC	South Africa	LMC

**TABLE 2.1** (continued)

Sudan	LIC	Korea, Rep.	Cyprus
Swaziland	LMC	Luxembourg	Faeroe Islands
Tanzania	LIC	Netherlands	French Polynesia
Togo	LIC	New Zealand	Greenland
Uganda	LIC	Norway	Guam
Zambia	LIC	Portugal	Hong Kong (China)
Zimbabwe	LIC	Spain	Israel
		Sweden	Kuwait
<b>High-Income OECD Countries</b>		Switzerland	Liechtenstein
Australia		United Kingdom	Macao (China)
Austria		United States	Malta
Belgium			Monaco
Canada		<b>Other High-Income Countries</b>	Netherlands Antilles
Denmark		Andorra	New Caledonia
Finland		Aruba	Northern Mariana Islands
France		Bahamas	Qatar
Germany		Bahrain	San Marino
Greece		Barbados	Singapore
Iceland		Bermuda	Slovenia
Ireland		Brunei	Taiwan (China)
Italy		Cayman Islands	United Arab Emirates
Japan		Channel Islands	Virgin Islands (U.S.)

This table classifies all World Bank member economies and all other economies with populations of more than 30,000. Economies are divided among income groups according to 2003 GNI per capita, calculated using the World Bank Atlas method. The groups are low-income countries (LICs), \$765 or less; lower-middle-income countries (LMCs), \$766–\$3,035; upper-middle-income countries (UMCs), \$3,036–\$9,385; and high-income countries, \$9,386 or more.

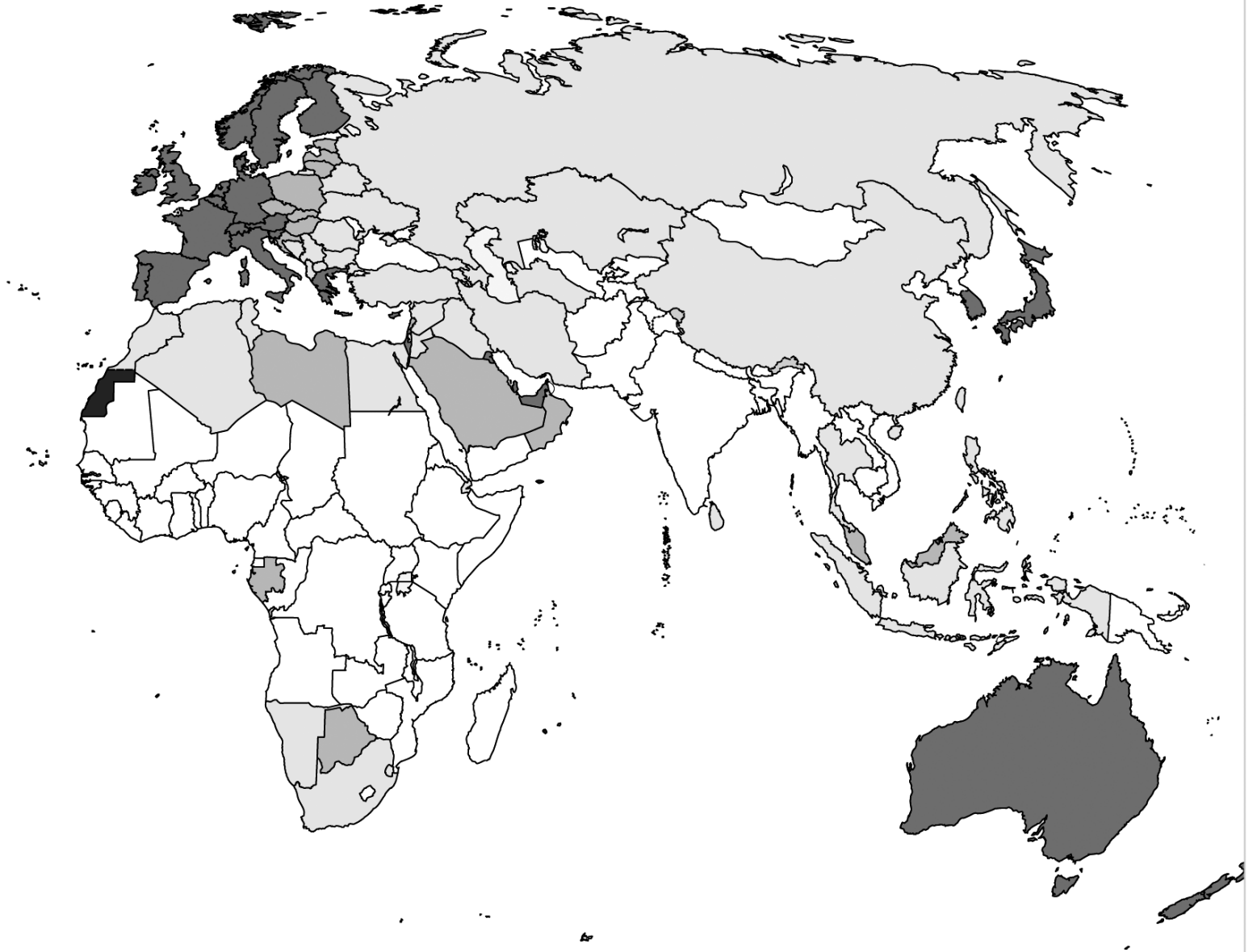
*Source:* World Bank, August 2004, <http://www.worldbank.org/data>.

**FIGURE 2.1****The Developed and Developing World, 2005**

- Low-income countries  
(\$765 or less)
- Lower-middle-income countries  
(\$766–3,035)
- Upper-middle-income countries  
(\$3,036–9,385)
- High-income countries  
(\$9,386 or more)
- No data



Source: World Bank, <http://www.worldbank.org/data/maps/images/gni-capita.gif>. Reprinted with permission.



# The Structural Diversity of Developing Economies

- Size and income level (Table 2.2)
- Historical background
- Physical and human resources
- Ethnic and religious composition
- Relative importance of public and private sectors
- Industrial structure (Table 2.3)



# Table 2.2

**TABLE 2.2** The Ten Most and Least Populated Countries and Their Per Capita Income, 2002

<b>Most Populous</b>	<b>Population (millions)</b>	<b>GNI Per Capita (U.S. \$)</b>	<b>Least Populous</b>	<b>Population (thousands)</b>	<b>GNI Per Capita (U.S. \$)</b>
1. China	1,280	960	1. St. Kitts and Nevis	47	6,540
2. India	1,049	470	2. Antigua and Barbuda	76	9,720
3. United States	288	35,400	3. Dominica	71	3,000
4. Indonesia	212	710	4. Seychelles	82	6,780
5. Brazil	174	2,830	5. Kiribati	95	960
6. Pakistan	145	420	6. Tonga	101	1,440
7. Russian Federation	144	2,130	7. Grenada	104	3,530
8. Bangladesh	136	380	8. St. Vincent and the Grenadines	109	2,820
9. Nigeria	133	300	9. Micronesia	122	1,970
10. Japan	127	34,010	10. São Tomé and Príncipe	154	300

Source: World Bank, August 2004, <http://www.worldbank.org/data>.

**TABLE 2.3** Industrial Structure in Seventeen Developing Countries, United States, and the United Kingdom, 1996

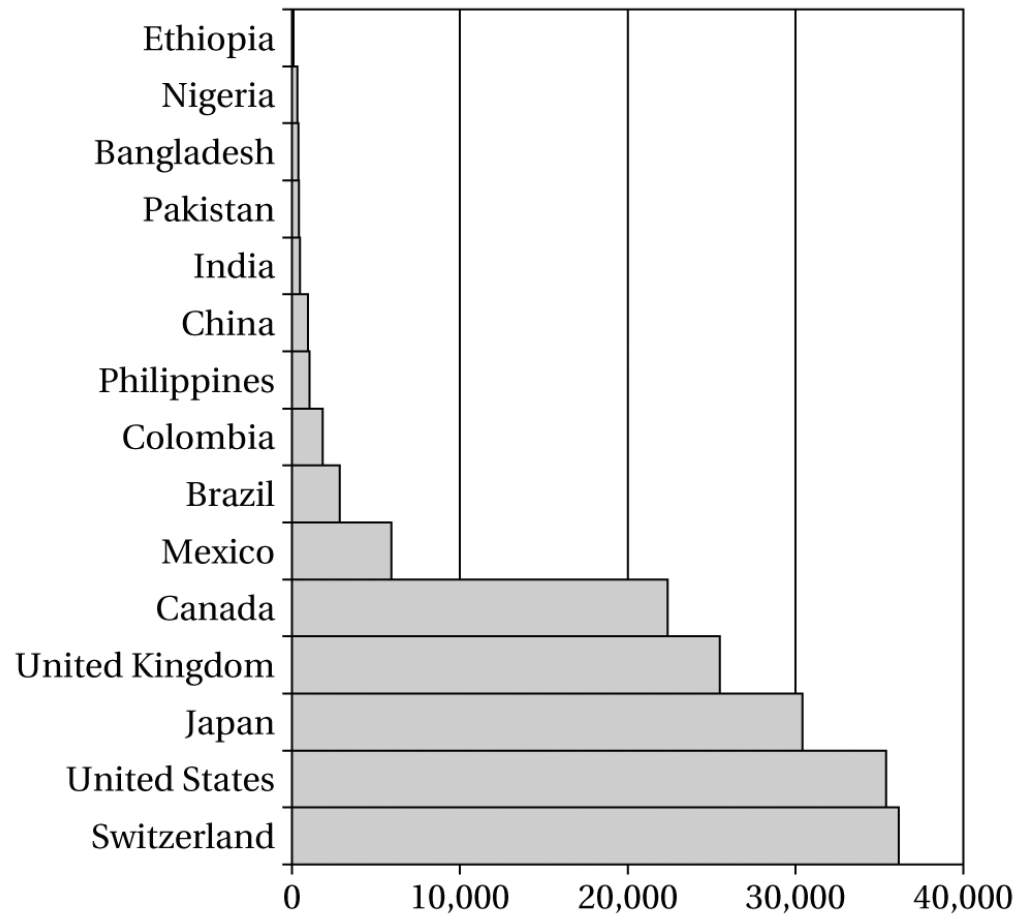
Country	Percentage of Labor Force <sup>a</sup>		Percentage of GDP	
	Agriculture	Industry	Agriculture	Industry
Africa				
Congo, Dem. Rep	75	12	64	13
Kenya	81	7	29	16
Nigeria	54	5	43	25
Tanzania	90	5	48	21
Uganda	86	4	46	16
Asia				
Bangladesh	64	14	30	18
India	65	13	28	29
Indonesia	55	10	16	43
Philippines	46	16	21	32
South Korea	21	27	6	43
Sri Lanka	46	13	22	25
Latin America				
Brazil	31	27	14	36
Colombia	30	24	16	20
Guatemala	60	12	24	20
Mexico	28	19	5	26
Peru	37	19	7	37
Venezuela	16	28	4	47
All developing countries	60	17	20	38
United States	2	25	2	29
United Kingdom	1	24	2	37

Sources: United Nations Development Program, *Human Development Report, 1996* (New York: Oxford University Press, 1996), tab. 31; Central Intelligence Agency, *The World Factbook, 1994* (Washington, D.C.: Central Intelligence Agency, 1994); and World Bank, *1998 World Development Indicators* (Washington, D.C.: World Bank, 1998), tabs. 2.5 and 4.2.

<sup>a</sup>Data are for 1994.

# Common Characteristics of Developing Nations

- Low levels of living
  - Per capita national income (Figure 2.2)

**FIGURE 2.2****Per Capita Gross National Income in Selected Countries, 2002  
(in U.S. \$ at official exchange rates)**

Source: World Bank, *World Development Indicators, 2004* (Washington, D.C.: World Bank, 2004), tab. 1.1.  
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**TABLE 2.4** A Comparison of Per Capita GNI in Selected Developing Countries, plus the United Kingdom and United States, Using Official Exchange-Rate and Purchasing Power Parity Conversions, 2002

Country	GNI Per Capita (U.S. \$)	
	Exchange Rate	Purchasing Power Parity
Argentina	4,220	10,190
Bangladesh	380	1,770
Brazil	2,830	7,450
Burundi	100	630
Cameroon	550	1,910
Chile	4,250	9,420
China	960	4,520
Costa Rica	4,070	8,560
Ghana	270	2,080
Guatemala	1,760	4,030
India	470	2,650
Indonesia	710	3,070
Kenya	360	1,010
Malawi	160	570
Malaysia	3,540	8,500
Mexico	5,920	8,800
Nicaragua	710	2,350
Sierra Leone	140	500
South Korea	9,930	16,960
Sri Lanka	850	3,510
Thailand	2,000	6,890
Uganda	240	1,360
United Kingdom	25,510	26,580
United States	35,400	36,110
Venezuela	4,080	5,220
Zambia	340	800

Source: World Bank, *World Development Indicators, 2004* (Washington, D.C.: World Bank, 2004) tab. 1.1. Copyright © 2004 by the World Bank. Reprinted with the permission of the World Bank via the Copyright Clearance Center.

# Common Characteristics of Developing Nations

- Low levels of living
  - Per capita national income
  - Relative growth rates of national and per capita income (Table 2.5)

**TABLE 2.5** Growth Rates of Real Gross National Income Per Capita: Percentage Average Annual Growth, 1980–1990 and 1990–2000

Country	1980–1990	1990–2000
Africa		
Kenya	0.3	−0.3
Nigeria	−3.0	−0.4
Tanzania	−0.7	0.3
Uganda	0.8	4.1
Congo, Dem. Rep.	1.5	−8.3
Asia		
Bangladesh	1.0	3.2
India	3.2	4.2
Indonesia	4.1	2.5
Philippines	−1.5	1.0
South Korea	8.9	4.7
Sri Lanka	2.4	4.0
Latin America		
Brazil	0.6	1.5
Colombia	1.1	1.1
Guatemala	−2.1	1.5
Mexico	−0.9	1.5
Peru	−2.0	3.0
Venezuela	−2.0	−0.5

Sources: World Bank, *World Bank Atlas, 1991* (Washington, D.C.: World Bank, 1991), pp 6–9; World Bank, *World Bank Atlas, 1996* (Washington, D.C.: World Bank, 1996), pp. 18–19; World Bank, *World Development Report, 2002* (New York: Oxford University Press, 2002), pp. 234–237.

# Common Characteristics of Developing Nations

- Low levels of living
  - Per capita national income
  - Relative growth rates of national and per capita income
  - Distribution of national income (Table 2.6)



# Table 2.6

**TABLE 2.6** Global Income Disparity between the Richest and Poorest 20 % of the World's Population, 1960–2000

Year	Ratio of Income Shares Richest to Poorest
1960	30 to 1
1970	32 to 1
1980	45 to 1
1991	61 to 1
2000	70 to 1

Sources: United Nations Development Program, *Human Development Report, 1992, 1994, 2001* (New York: Oxford University Press, 1992, 1994, 2001). Reprinted with permission.

# Common Characteristics of Developing Nations

- Low levels of living
  - Per capita national income
  - Relative growth rates of national and per capita income
  - Distribution of national income
  - Extent of poverty (Table 2.7)

**TABLE 2.7** Income Poverty by Region, Selected Years, 1987–1998

Region	Population Covered by at Least One Survey (%)	People Living on Less than \$1 a Day (millions)				
		1987	1990	1993	1996	1998
East Asia and Pacific	90.8	417.5	452.4	431.9	265.1	278.3
Excluding China	71.1	114.1	92.0	83.5	55.1	65.1
Europe and Central Asia	81.7	1.1	7.1	18.3	23.8	24.0
Latin America and the Caribbean	88.0	63.7	73.8	70.8	76.0	78.2
Middle East and North Africa	52.5	9.3	5.7	5.0	5.0	5.5
South Asia	97.9	474.4	495.1	505.1	531.7	522.0
Sub-Saharan Africa	72.9	217.2	242.3	273.3	289.0	290.9
Total	88.1	1,183.2	1,276.4	1,304.3	1,190.6	1,198.9
Excluding China	84.2	879.8	915.9	955.9	980.5	985.7

Region	Share of Population Living on Less than \$1 a Day (%)				
	1987	1990	1993	1996	1998
East Asia and Pacific	26.6	27.6	25.2	14.9	15.3
Excluding China	23.9	18.5	15.9	10.0	11.3
Europe and Central Asia	0.2	1.6	4.0	5.1	5.1
Latin America and the Caribbean	15.3	16.8	15.3	15.6	15.6
Middle East and North Africa	4.3	2.4	1.9	1.8	1.9
South Asia	44.9	44.0	42.4	42.3	40.0
Sub-Saharan Africa	46.6	47.7	49.7	48.5	46.3
Total	28.3	29.0	28.1	24.5	24.0
Excluding China	28.5	28.1	27.7	27.0	26.2

Source: World Bank *World Development Report 2000/2001, Attacking Poverty* (New York: Oxford University Press, 2000), tab. 1.1. Reprinted with permission.

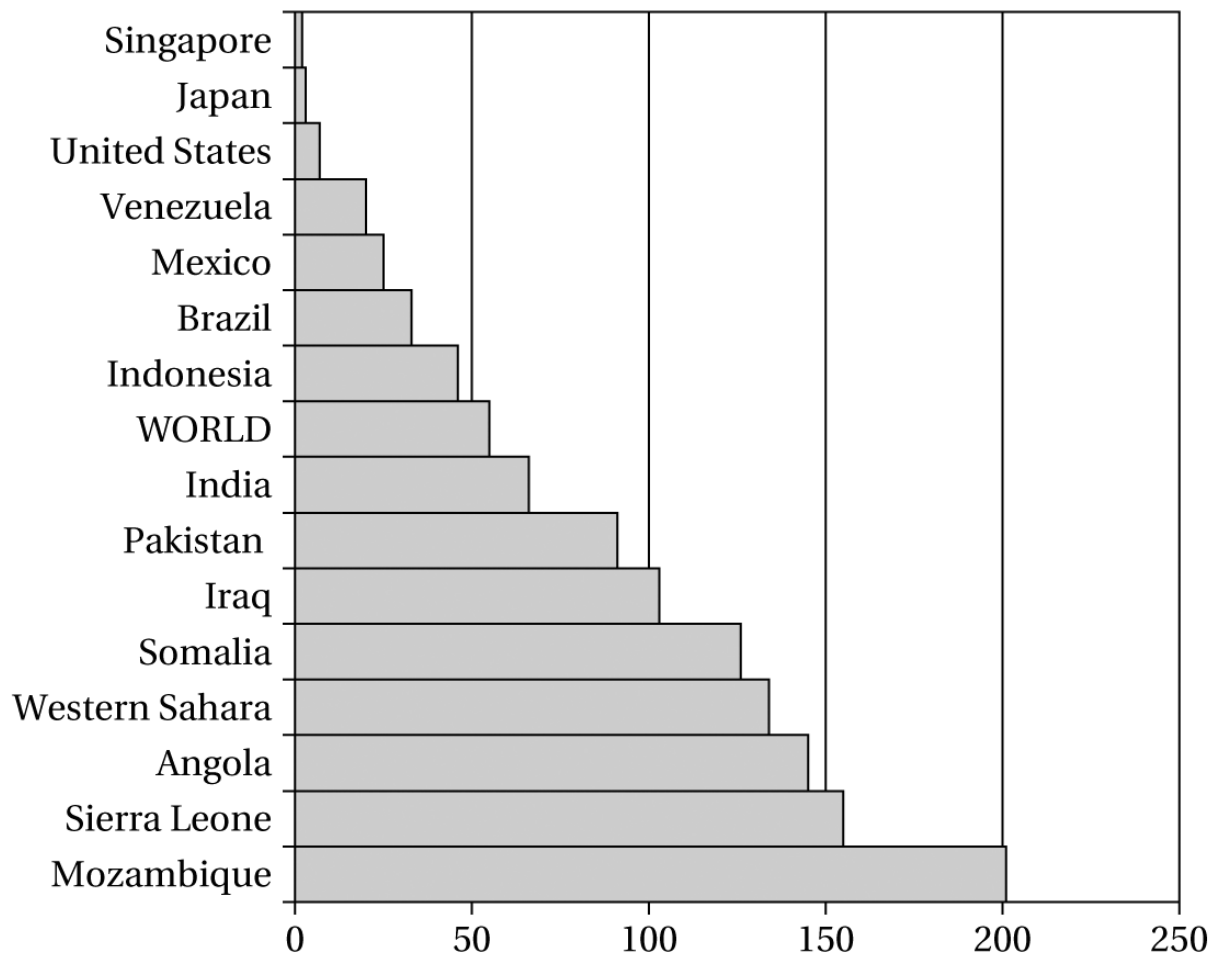
Note: The poverty line is \$1.08 a day at 1993 PPP. Poverty estimates are based on income or consumption data from the countries in each region for which at least one survey was available during 1985–1998. Where survey years do not coincide with the years in the table, the estimates were adjusted using the closest available survey and applying the consumption growth rate from national accounts. Using the assumption that the sample of countries covered by surveys is representative of the region as a whole, the number of poor people was then estimated by region. This assumption is obviously less robust in the regions with the lowest survey coverage.

# Common Characteristics of Developing Nations

- Low levels of living
  - Per capita national income
  - Relative growth rates of national and per capita income
  - Distribution of national income
  - Extent of poverty
  - Health (Figure 2.3 and Table 2.8)

**FIGURE 2.3**

**Under-5 Mortality Rates in Selected Countries, 2002 (per 1,000 live births)**



Source: Data from *World Population Datasheet, 2003*, Population Reference Bureau, <http://www.prb.org>.

# Table 2.8

**TABLE 2.8** Human Health and Education Deprivation in the Developing World

<b>Nature of Health Deprivation</b>	<b>Number of People Deprived</b>
Lack of access to health services	766 million (1995)
Lack of access to safe water	968 million (1998)
Lack of access to sanitation	2.4 billion (1998)
Children dying before age 5 from preventable causes	11 million (1998)
Underweight children under age 5	163 million (1998)
People living with HIV/AIDS	34 million (2000)
Illiterate adults	854 million (2000)
Children not in school	325 million (2000)

Source: United Nations Development Program, *Human Development Report, 2001* (New York: Oxford University Press, 2001), p. 9.  
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# Common Characteristics of Developing Nations

- Low levels of living
  - Per capita national income
  - Relative growth rates of national and per capita income
  - Distribution of national income
  - Extent of poverty
  - Health
  - Education
  - The Human Development Index

**TABLE 2.9** Human Development Index for Twenty-Two Selected Countries, 2002

Country	Relative Ranking (lowest to highest)	Human Development Index (HDI)	Real 2002 GDP Per Capita (PPP\$)	GDP Rank minus HDI Rank <sup>a</sup>
Low human development				
Sierra Leone	177	0.273	520	-1
Ethiopia	170	0.359	780	-1
Angola	166	0.381	2,130	-38
Malawi	165	0.388	580	+9
Tanzania	162	0.407	580	+12
Guinea	160	0.425	2,100	-30
Medium human development				
Bangladesh	138	0.509	1,700	+1
India	127	0.595	2,670	-10
South Africa	119	0.666	10,070	-66
Nicaragua	118	0.667	2,470	+1
China	94	0.745	4,580	+5
Turkey	88	0.751	6,390	-12
Peru	85	0.752	5,010	+7
Thailand	76	0.768	7,010	-9
Oman	74	0.770	13,340	-32
Malaysia	59	0.793	9,120	-2
High human development				
Costa Rica	45	0.834	8,840	+14
Kuwait	44	0.838	16,240	-6
United Kingdom	12	0.936	26,150	+8
United States	8	0.939	35,750	-4
Canada	4	0.943	29,480	+5
Norway	1	0.956	36,600	+1

Source: United Nations Development Program, *Human Development Report, 2004* (New York: Oxford University Press, 2004), annex tab. 1. Reprinted with permission.

<sup>a</sup>A positive figure indicates that the HDI rank is better than the real GDP per capita (PPP\$) rank; a negative indicates the opposite.



# Table 2.10

**TABLE 2.10** Human Development Index Variations for Similar Incomes, 2002

Country	GDP Per Capita (U.S. \$ PPP)	HDI	HDI Rank	Life Expectancy (years)	Adult Literacy (%)
GDP per capita around PPP \$1,000					
Tajikistan	980	0.671	116	68.6	99.5
Kenya	1,020	0.488	148	45.2	84.3
Central African Republic	1,170	0.361	169	39.8	48.6
Burkina Faso	1,100	0.302	175	45.8	12.8
GDP per capita around PPP \$2,000					
Vietnam	2,300	0.691	112	69.0	90.3
Pakistan	1,940	0.497	142	60.8	41.5
Guinea	2,100	0.425	160	48.9	41.0
Angola	2,130	0.381	166	40.1	42.0
GDP per capita around PPP \$3,500					
Jamaica	3,980	0.764	79	75.6	87.6
Sri Lanka	3,570	0.740	96	72.5	92.1
Indonesia	3,230	0.692	111	66.6	87.9
Morocco	3,810	0.620	125	68.5	50.7

Source: United Nations Development Program, *Human Development Report, 2002* (New York: Oxford University Press, 2002, 139–142). Reprinted with permission.

# Common Characteristics of Developing Nations

- Low levels of living
- Low levels of productivity
- High rates of population growth and dependency burdens (Table 2.11)

# Table 2.11

**TABLE 2.11** Crude Birthrates throughout the World, 2002

Crude Birthrate <sup>a</sup>	Countries
50	Niger, Mali, Somalia, Afghanistan, Angola
45	Malawi, Liberia, Chad, Rwanda, Sierra Leone, Congo (Dem. Rep.), Uganda, Burkina Faso, Gambia
40	Burundi, Guinea, Senegal, Ethiopia, Tanzania, Mozambique, Zambia, Benin, Nigeria, Yemen
35	Central African Republic, Laos, Pakistan, Gabon, Swaziland, Namibia, Kenya, Togo, Sudan
30	Honduras, Paraguay, Bolivia, Botswana, Jordan, Haiti, Nepal, Iraq, Bangladesh, Syria, Paraguay, Zimbabwe
25	Egypt, India, Cameroon, Libya, Cambodia, Myanmar, Philippines, El Salvador, South Africa, Venezuela
20	Algeria, Costa Rica, Mexico, Vietnam, Peru, Turkey, Colombia, Lebanon, Malaysia, Kuwait, Indonesia, Panama, Sri Lanka, Argentina, Jamaica, Brazil, Iran
15	United States, Australia, Ireland, South Korea, China, Thailand, Chile
10	Canada, Cuba, Switzerland, Austria, Germany, Japan, Russia, Singapore

Source: World Bank, *World Development Indicators, 2004* (Washington, D.C.: World Bank, 2004), tab. 2.1. Copyright © 2004 by the World Bank. Reprinted with the permission of the World Bank via the Copyright Clearance Center.

<sup>a</sup>Yearly number of live births per 1,000 population.

# Common Characteristics of Developing Nations

- Low levels of living
- Low levels of productivity
- High rates of population growth and dependency burdens
- Substantial dependence on agricultural production and primary exports (Table 2.12 and Figure 2.4)

# Table 2.12

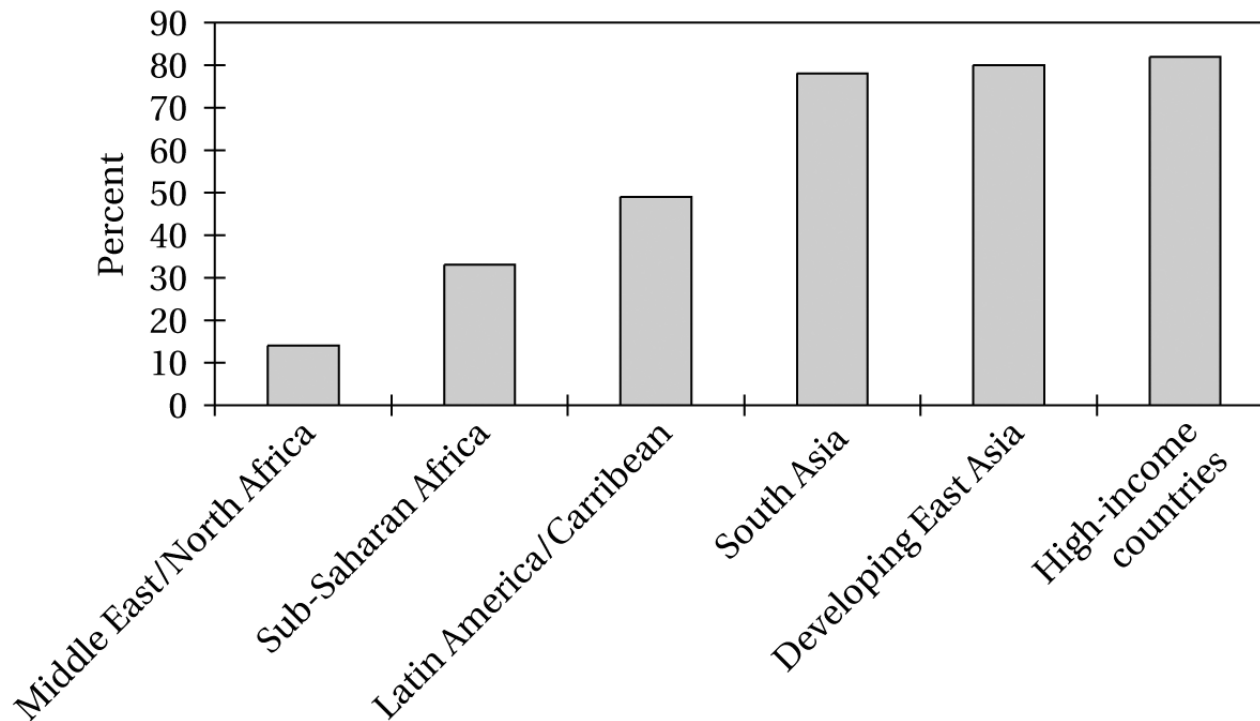
**TABLE 2.12** Population, Labor Force, and Production in Developed and Less Developed Regions, 2002–2003

Region	Population (millions)	Urban (%)	Rural (%)	Labor Force in Agriculture (%)	Agricultural Share of GDP (%)
World	6,314	47	53	49	5
Developed countries	1,202	75	25	5	3
Europe	727	73	27	7	3
North America	323	79	21	3	2
Japan	127	78	22	7	2
Less developed countries	5,112	40	60	58	14
Africa	861	33	67	68	20
South Asia	1,480	30	70	64	30
East Asia	1,918	40	60	70	18
Latin America	540	75	25	25	10

*Sources:* Population Reference Bureau, *2003 World Population Data Sheet* (Washington, D.C.: Population Reference Bureau, 2003); *World Bank, World Development indicators, 2004* (New York: Oxford University Press, 2004), tabs. 4 and 12, Agriculture labor force figures are based on 1997 World Bank estimates.

# Figure 2.4

**FIGURE 2.4** Share of Manufactures in Merchandise Exports, by Region



Source: World Bank, *World Development Indicators, 2004* (Washington, D.C.: World Bank, 2004), pp. 198–200. Copyright © 2004 by the World Bank. Reprinted with the permission of the World Bank via the Copyright Clearance Center.

# Common Characteristics of Developing Nations

- Low levels of living
- Low levels of productivity
- High rates of population growth and dependency burdens
- Substantial dependence on agricultural production and primary-product exports
- Prevalence of imperfect markets
- Dependence and vulnerability

# How Developing Countries Today Differ from Developed Countries in Their Earlier Stages

- Physical and human resource endowments
- Per Capita incomes and levels of GDP in relation to the rest of the world
- Climate
- Population size, distributions and growth
- Historical role of international migration
- International trade benefits
- Basic R&D capabilities
- Stability and flexibility of political-social institutions
- Efficacy of domestic economic institutions

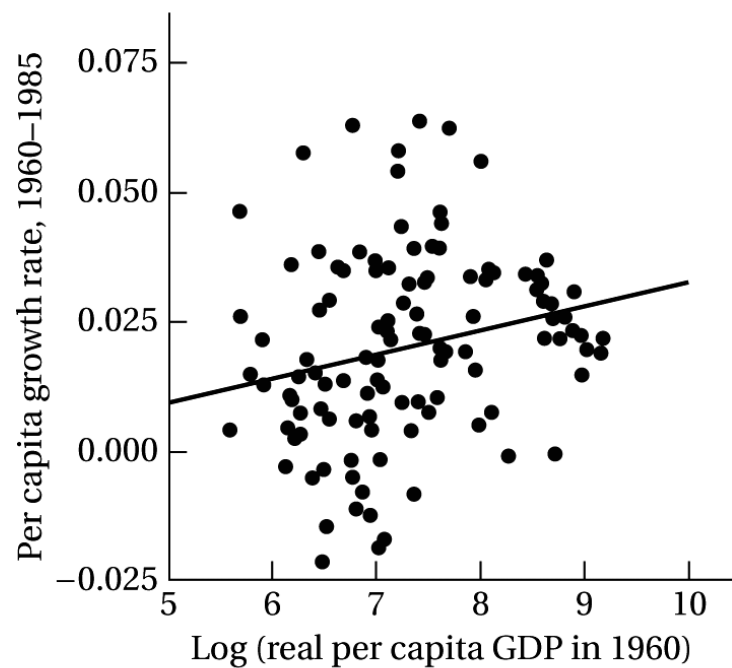


# Convergence?

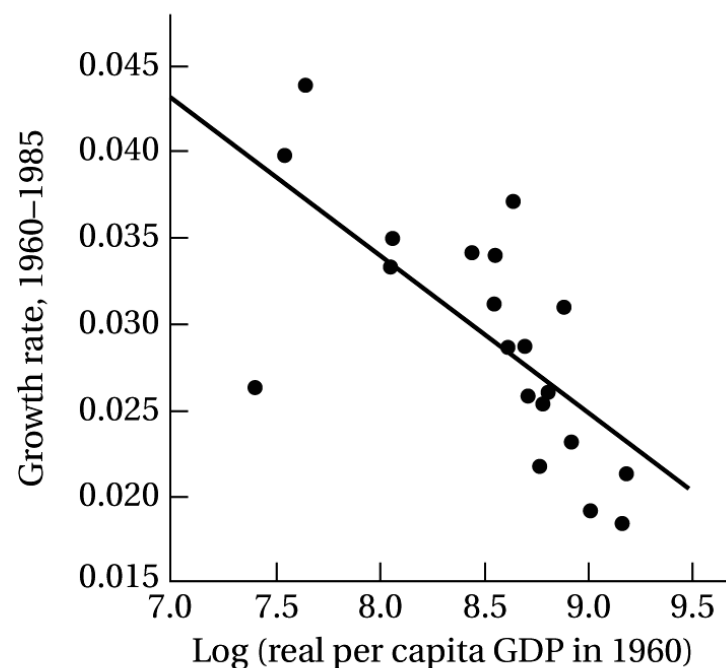
- Evidence of unconditional convergence is hard to find (Figure 2.5)
- There is some (controversial) evidence of conditional convergence

# Figure 2.5

**FIGURE 2.5** Convergence among OECD Countries but Divergence in the World as a Whole



(a) World sample



(b) OECD sample

Source: Robert Barro and Xavier Sala-i-Martin, *Economic Growth* (New York: McGraw-Hill, 1995), p. 27. Reprinted with permission.

# Concepts for Review

- Absolute poverty
- Brain drain
- Crude birthrate
- Convergence
- Death rate
- Dependency burden
- Developed world
- Foreign exchange
- Gross domestic product (GDP)
- Gross national product (GNP)
- Human Development Index (HDI)
- Imperfect markets
- Income gap
- Income inequality
- Incomplete information

# Concepts for Review (cont'd)

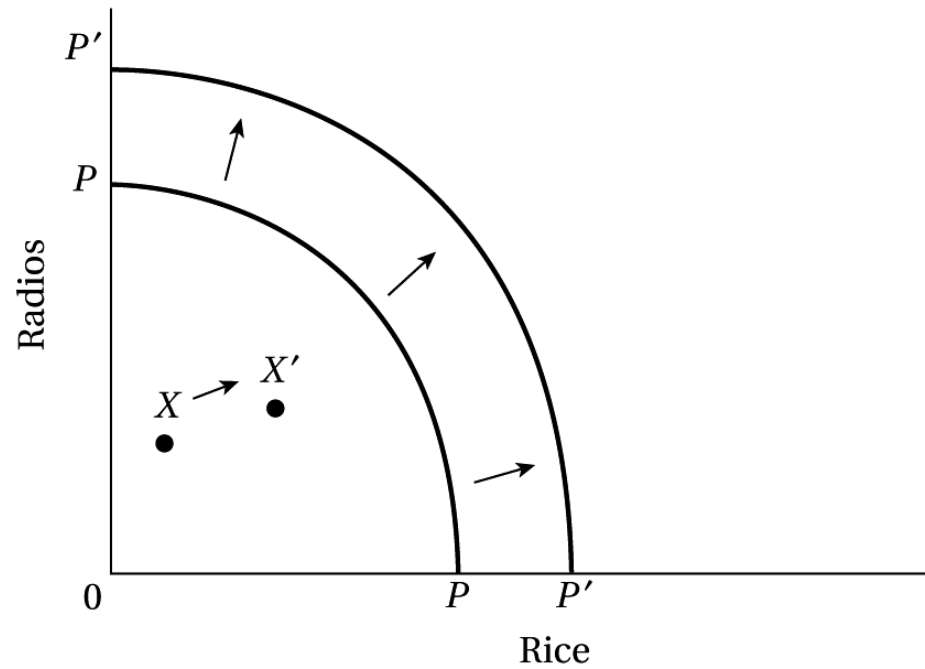
- Infant mortality rate
- International poverty line
- Labor productivity
- Least developed countries (LLDCs)
- Levels of living
- Low income countries (LICs)
- Malnutrition
- Middle-income countries (MICs)
- Mixed economic systems
- Newly industrialized countries (NICs)
- Physical resources

# Concepts for Review (cont'd)

- Primary industrial sector
- Production function
- Purchasing power equivalent
- Purchasing power parity (PPP)
- Resource endowment
- Secondary industrial sector
- Tertiary industrial sector
- World Bank

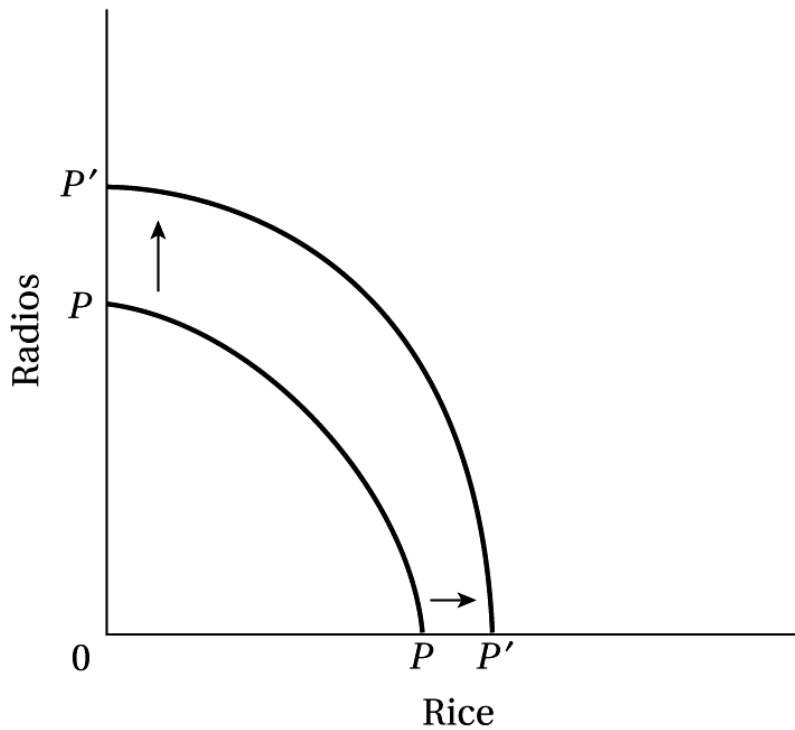
# Figure A2.1

**FIGURE A2.1** Effect of Increases in Physical and Human Resources on the Production Possibility Frontier

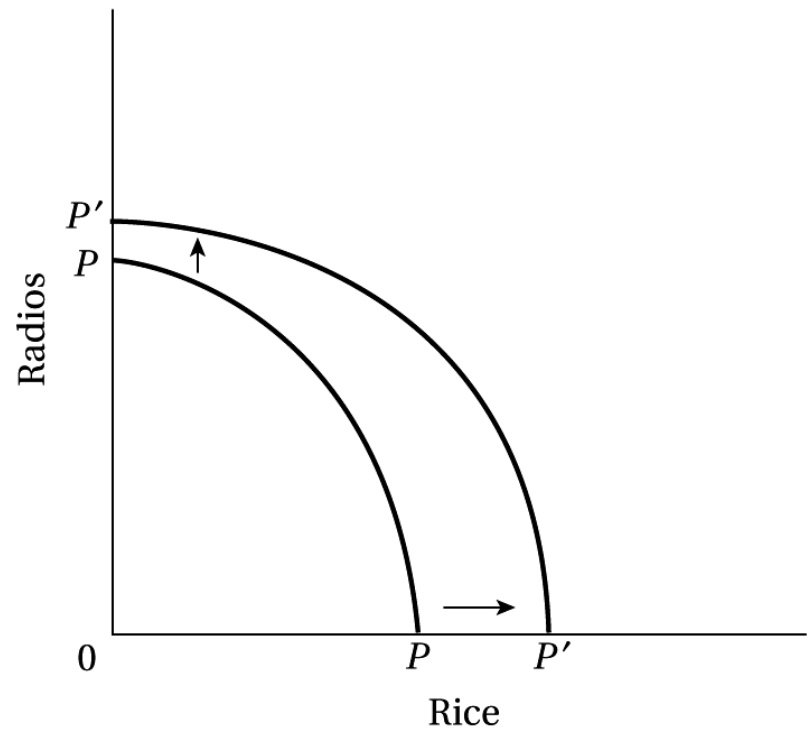


# Figure A2.2

**FIGURE A2.2** Effect of Growth of Capital Stock and Land on the Production Possibility Frontier



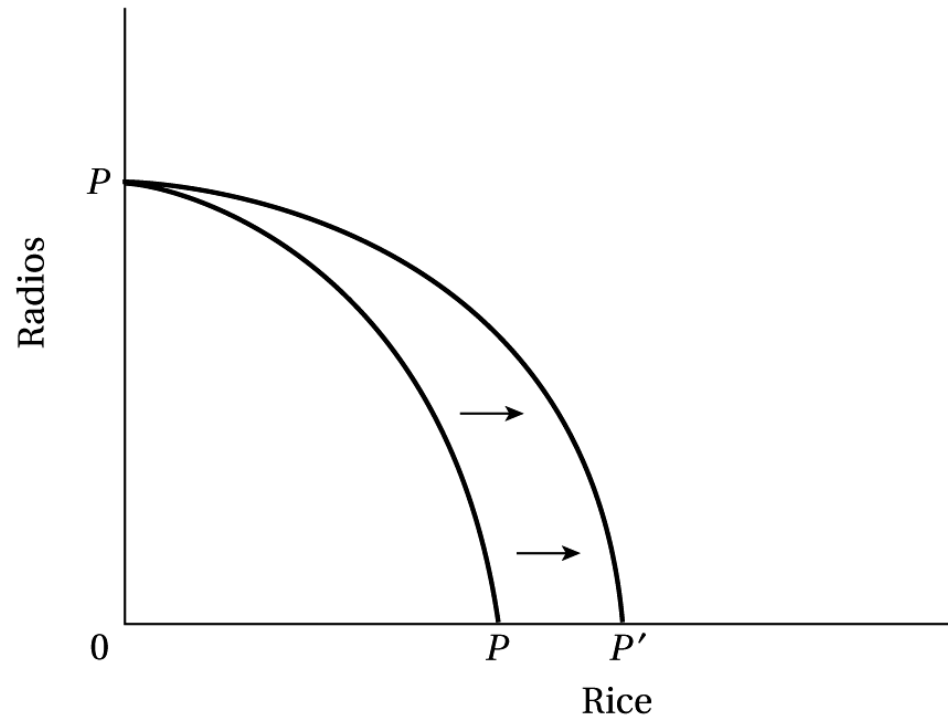
(a) Growth in capital stock



(b) Growth in land resources

# Figure A2.3

**FIGURE A2.3** Effect of Technological Change in the Agricultural Sector on the Production Possibility Frontier





# Figure A2.4

**FIGURE A2.4** Effect of Technological Change in the Industrial Sector on the Production Possibility Frontier

