

Contemporary Nicaragua: The Economic Dimension

Objectives

As a result of this lesson, students will be able to:

- Compare standards of living in high income, middle income, and low income nations.
 - Compare the apparent needs of low-income nations to those of middle income and high-income nations.
 - Determine whether Nicaragua is a high income, middle income, or low income nation.
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Materials

- Student Handout: **Analyzing Development Data**
 - Student Handout: **Development Data Statistics (1998)**
 - Teacher Handout: **Nicaraguan Development Data (1998)**
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Activities

1. Place the terms “high income,” “middle income,” and “low income” on the chalkboard.
 - a. Explain that nations, like individuals, can be classified by the amount of income they generate. In the case of nations, this can be seen by such statistics as GNP Per Capita (Gross National Product divided by the total population, which gives a total amount of GNP generated per person in a given year.)
 - b. Write the number \$4,890 on the chalkboard. Explain that this is the average global GNP Per Capita, taking all of the wealth generated by the world’s economies and divided by the total global population.
 - c. Ask students to hypothesize, based on this average, what a “high income” GNP Per Capita might be. (Write the consensus figure on the chalkboard.)
 - d. Follow the same procedure for “middle income” and “low income” averages.
 2. Distribute the student handout **Analyzing Development Data**.
 - a. Explain that the World Bank gathers and publishes statistics that enable analysts to compare relative standards of living in various nations around the world.
 - b. Review with students the meanings of each of the statistical categories listed in the handout.
 - c. As you review each statistic, ask students to hypothesize how the data might differ between “high income,” “middle income” and “low income” nations.
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- d. Direct students to record their hypotheses in the margins of the handout.
3. Distribute the student handout **Development Data Statistics (1998)**.
 - a. Explain that the United States is an example of a high income (HI), highly industrialized **developed** nation.
 - b. Direct students to analyze the statistics for the United States as listed on the handout.
 - c. Ask students to compare the statistics to the hypotheses they created for a “high income” nation. What are the similarities and differences?
 - d. Ask students to identify those statistics that they believe are the most significant in illustrating America’s standard of living and to explain why they consider them the most significant?
 - e. Direct students to locate the other high income (HI) nation on the chart (Australia) and to compare their statistics with those of the United States. What are the similarities and differences?
 4. Direct students to analyze the statistics for the Mexico and Botswana as listed on the handout.
 - a. Explain that Mexico and Botswana are both examples of upper middle income (UMI), partially industrialized **developing** nations.
 - b. Direct students to compare the statistics for Mexico and Botswana to those of the United States and Australia. What are the similarities and differences?
 - c. Ask students to explain which statistics they believe indicate the most significant differences between upper middle income and high income nations. How to they account for these differences?
 5. Direct students to analyze the statistics for the Peru and Iran as listed on the handout.
 - a. Explain that Mexico and Botswana are both examples of lower middle income (LMI), partially industrialized **developing** nations.
 - b. Direct students to compare the statistics for Peru and Iran to those of Mexico and Botswana. What are the similarities and differences?
 - c. Ask students to explain which statistics they believe indicate the most significant differences between upper middle income and lower middle income nations. How to they account for these differences?
 6. Direct students to analyze the statistics for the Chad and Nepal as listed on the handout.
 - a. Explain that Chad and Nepal are both examples of low income (LI), less industrialized **underdeveloped** nations.

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- b. Ask students to evaluate the degree of difference between the high income and low income nations.
 - c. Ask students to explain which statistics they believe indicate the most significant differences between the three categories of nations?
 7. Divide the class into discussion groups.
 - a. Ask students to discuss what they know or have heard about Nicaragua and to hypothesize, based on that information, if Nicaragua would be a high income, upper middle income, lower middle income, or low income nation.
 - b. After the groups have reached a consensus, ask a spokesperson for each group to report that consensus to the class and to explain the reasoning behind it.
 8. Using the teacher handout entitled **Nicaraguan Development Data (1998)**, provide students with all of the relevant statistics except “Type.”
 - a. Ask students to work in their groups to determine, based on the statistical data, which type of country Nicaragua actually is.
 - c. After the groups have reached a consensus, ask a spokesperson for each group to report that consensus to the class, and to explain the reasoning behind it. Was it similar to or different from their original hypothesis? Why or why not?
 - d. Share with the class Nicaragua’s actual classification (LI). [**Note:** If the class consensus has not identified it as such, ask them to reexamine the data for telltale statistics. GNP Per Capita is a key statistic.] Explain to the class that Nicaragua, along with Haiti, are the only two nations in the Western Hemisphere that are classified by the World Bank as low-income countries.
 9. Ask the class to examine Nicaragua’s GNP Per Capita.
 - a. Direct students to divide the GNP Per Capita (\$370) by the number of days in the year.
 - b. Ask students how many of them think that they could have a comfortable life if all they had to spend each day was \$1.01. What would they have to change in their current life? What does this tell them about the average standard of living of the typical Nicaraguan family?
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Development Data Statistics (1998)

	World	USA	Chad	Mexico	Iran	Nepal	Botswana	Peru	Australia	Nicaragua
Population (millions)	5,897	270	7	96	62	23	2	25	19	
Population growth	1.4%	0.9%	2.7%	1.6%	1.7%	2.3%	1.9%	1.7%	1.2	
Population/sq. km	45	30	6	50	38	160	3	19	2	
Life expectancy	67	77	48	72	71	58	46	69	79	
Fertility Rate	3	2	6	3	3	4	4	3	2	
Infant mortality rate	54	7	99	30	26	77	62	40	5	
Under 5 mortality rate	75	9*	172	35	33	107	105	47	6	
Child malnutrition	--	1%*	39%*	14%**	16%*	57%*	--	--	0%*	
Urban population	46%	77%	23%	74%	61%	11%	49%	72%	85%	
Illiteracy (male)	18%	--	51%	7	18%	43%	27%	6%	--	
Illiteracy (female)	32%	--	69%	11%	33%	78%	22%	16%	--	
Net primary school enrollment	--	100%*	48%*	100%*	90%*	78%*	80%*	94%*	100%*	
Net secondary school enrollment	--	96%*	18%*	66%*	81%*	55%*	89%*	84%*	96%	
Telephone main lines	146	661	1	104	112	8	65	67	512	
Personal computers	71	459	--	47	32*	--	25	18	412	
Paved roads	43%*	59%*	1%**	30%*	50%*	42%*	24%*	13%	39%*	
GNP per capita	\$4,890	\$29,240	\$230	\$3,840	\$1,650	\$210	\$3,070	\$2,440	\$20,640	
GDP annual growth	1.7%	3.9%	8.1%	4.8%	1.7%	2.3%	3.5%	0.3%	5.1%	
Trade as share of GDP	28.3%	19.9%	7.2%	32.9%	8.4%	6.5%	42.4%	13.1%	27.8%	
Trade growth	--	5.6%	-2.0%	9.3%	-5.4%	8.6%	-3.7%	-3.8%	4.6%	
Type		HI	LI	UMI	LMI	LI	UMI	LMI	HI	

Nicaraguan Development Data (1998)

Population (millions)	4.8
Population growth	2.7%
Population/sq. km	39.6
Life expectancy	67
Fertility Rate	4
Infant mortality rate	40
Under 5 mortality rate	50
Child malnutrition	12%
Urban population	56%
Illiteracy (male)	34%
Illiteracy (female)	34%
Net primary school enrollment	79%*
Net secondary school enrollment	--
Telephone main lines	30
Personal computers	8
Paved roads	9%*
GNP per capita	\$370
GDP annual growth	4.1%
Trade as share of GDP	--
Trade growth	-3.7%
Type	LI

Analyzing Development Data

Child malnutrition	The percentage of children under the age of five whose weight for age is more than two standard deviations below the average.
Fertility rate	The number of children that would be born to a woman if she were to live to the end of her childbearing years and bear children in accordance with current age-specific fertility rates.
GDP annual growth	The one year growth rate in real gross domestic product (gross value added by all resident and non-resident producers in an economy, plus indirect taxes.)
GNP per capita	The gross national product (final value of goods and services produced by the residents of an economy) divided by the nation's total population.
Illiteracy	The percentage of adults (male or female) who cannot, with understanding, read and write a short, simple statement about their everyday life.
Infant mortality rate	The number of infants who die before reaching one year of age, per 1,000 live births in the same year.
Life expectancy	The number of years a newborn infant would live if prevailing patterns of mortality at the time of birth were to stay the same throughout its life.
Net primary school enrollment	The ratio students actually enrolled in primary school, regardless of age, of the total population eligible to be enrolled in primary school.
Net secondary school enrollment	The ratio students actually enrolled in secondary school, regardless of age, of the total population eligible to be enrolled in secondary school.

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Paved roads	Those surfaced with crushed stone (macadam) and hydrocarbon binder or bituminized agents, with concrete, or with cobblestones, as a percentage of all the country's roads, measured in length.
Personal computers	The estimated number of self-contained computers (PCs) designed to be used by a single individual, per 1,000 people.
Population growth	The one-year rate of growth in total population.
Population per square kilometer	The total population divided by land area in square kilometers.
Telephone mainlines	Telephone lines connecting a customer's equipment to the public switched telephone network, per 1,000 people.
Trade as share of GDP	The sum of exports and imports of goods and services expressed as a percentage of the gross domestic product.
Trade growth	The difference between the annual growth in trade of goods and services and the growth of GDP from 1988 – 1998.
Under 5 mortality rate	The probability that a newborn baby will die before reaching the age of five, if subject to current age-specific mortality rates.
Urban population	The midyear population of areas defined as urban in each country and reported to the United Nations.

Data courtesy of the World Bank (www.worldbank.org)