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**2020
ETHIOPIA**

***GEOGRAPHY GRADE 10, SECOND SEMESTER
WORK SHEET***

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CHAPTER THREE

WORLD POPULATION

INTRODUCTION

Population defined as a group of similar species organism living in a definite geographical environment. Various forms of living things which has specific habitat, living style, and distinct social organization. The major types of population are; plant population, animal's pop and human population.

We study human pop. Because people create societies material and spiritual needs. Human being change virgin lands into productive; determine the development of regions, transportation, infrastructure, urban growth, industrial sites, and source of labor force for different sector agriculture, manufacturing, health service.

Size and Trend of World Population Growth

To know the overall socio-economic development of societies, Socio economic planning and implementation. Now a day many countries in the world experienced high population growth. This resulted;

- ❖ Acute ***shortage of food, shelter, clothing and social service.***
- ❖ ***Shortage of cultivable land, soil degradation, destruction of forest and animals, socio political unrest.***

- Therefore, rapid population growth has a direct effect on the socio economic development and quality of the environment of given society. To overcome this problem lesson on population data is highly important.
- Population data refers to ***population information*** such as size, age, marital status, births, deaths, occupation, religion, educational status. Population data gathered depending on reliable data. Population growth in less developed nations occurs at a much faster rate than in the developed nations. This implied that even among the developing regions, Africa has the fastest population growth rate in the world.
- The term overpopulation is used to describe a situation in which the world or area has a population so large that the people there are ***suffering*** as a result. In other words, the population exceeds the region or carrying capacity.

✚ Their suffering may include a *shortage of food, limited access to healthcare* and other *public services, overcrowding, and high unemployment*.

✚ Nine out of every ten persons who are now being added to the world's population are living in the less developed countries. By region, over half the world's population was in East and South Asia:

1. China, with 1.3 billion

2. India with 1.1 billion

3. Indonesia with 0.23 billion

✚ About 61 % of the global population lives in Asia, the world's most populous continent. China and India covers 19 % and 18 % of the world's population respectively. This data may not represent the current population of the region it needs some modification. The United Nations estimated that world population reached 6 billion with an annual growth rate of 1.5% by 2000 A.D.

✚ The number added to world population per year would increase from 80 million to 90 million if the growth rate of 1.5% continues, and world population would double in a period of 40-50 years from about 2000 A.D. Such rapid and dramatic growth rate of the world population is known as *population explosion*.

DOUBLING TIME

✚ Population doubling time is the time taken, in years, for a population of a given region or country to double at a given rate of population growth.

✚ Europe and Africa have shown very *contrasting doubling times*. The doubling times of the former and the later are 304 years and 27 years, respectively. This implied that even among the developing regions, *Africa has the fastest population growth rate in the world*.

$$\text{Doubling time} = \frac{70}{\text{GR}}$$

$$\text{GR} = \text{Rate of natural increase} \pm \text{Net migration rate}$$

$$\text{RNI} = \text{Birth rate} - \text{Death rate}$$

$$\text{NMR} = \text{migration rate} - \text{Emigration rate}$$

Example if the Growth rate of population in Bishoftu town is 1.5%, the doubling duration of population in the town will be;

$$DT = \frac{70}{1.5}$$

$$DT = 47 \text{ years}$$

- ✓ This means that, the population sizes the town took, approximately around 47 years to be double.

What is 70 mean? It comes from the rule of 70 that developed by European investors to determine how many years it'll take for your money to double given a specified rate of return. The rule is commonly used to compare investments with different annual compound interest rates to quickly determine how long it would take for an investment to grow. The rule of 70 is also referred to as economic doubling time.

- ✚ Europe and Africa have shown very dissimilar doubling times. The developing regions, including Africa, has the fastest population growth rate in the world. The developed regions have long doubling time and short doubling time for the developing regions
- ✚ Generally, nations are considered to be less developed if they have a lower standard of living than the developed nations. A large share of the population in these less developing countries lives at subsistence levels, and low level of medical resources.
- ✚ Overpopulation is a serious threat to our whole environmental system. It is likely to cause severe conflicts and wars as people will fight for resources in order to meet their daily energy demand. Therefore we have to solve this issue through suitable and sustainable measures. Only then, it will be possible for humanity to live in peace in the future.

COMPONENTS OF POPULATION CHANGE

- ***Fertility, mortality and migration*** (Birth, Death and Migration) are the combined effects that control population size which are collectively known as population-change dynamics or determinants.
- ***Fertility and mortality are biological factors***, while migration is purely ***non-biological***. ***Immigration and birth are positive factors***, which tend to increase population size, while ***emigration and death are negative factors that reduce population size***.

1. FERTILITY

Fertility is the biological replacement and maintenance of the population of the human race and the actual occurrence of live births in a given population (it is the beginning of life).

MEASURES OF FERTILITY

Fertility rate can be measured by; *Crude Birth Rate (CBR)*, *General Fertility Rate (GFR)* and *Total Fertility Rate (TFR)*.

Crude Birth Rate (CBR)

✈ The most common and simplest index of fertility. CBR Expressed as the ratio of the newly born child to total population or the number of live births per thousand people.

$$\text{CBR} = \frac{\text{The numbers live births}}{\text{Mid year total population}} \times 1000$$

❑ If the number of live births in region (X) by 2018 was 500,000 and the total population was 5,500,000, then the crude birth rate will be;

$$\text{CBR} = \frac{500,000}{5,500,000} \times 1000$$

$$\text{CBR} = \frac{500,000}{5,500,000} \times 1000$$

$$\text{CBR} = 91/1000$$

✓ *This interpreted as, 91 children observed out of 1000 total midyear population in the region with in a year.*

This measure is simple to compute, but it is crude because its denominator *includes all persons, regardless of their contribution to fertility* (birth). For example all unmarried persons, including children, are included. This is the weakness of the CBR as a measure of fertility.

General Fertility Rate (GFR)

The easiest method of refining the weakness of CBR is by expressing live births, not in terms of total population, but as a percentage of the number of adults or, even better, of the number of women of reproductive age (typically defined as between the ages of 15 and 49).

GFR measures the number of live births in a year per thousand women of reproductive age. It is calculated:

$$\text{GFR} = \frac{\text{The number of live births}}{\text{Numbers women in reproductive age (15-49) years}} \times 1000$$

In region G, the number of newborn children by 2015 was 1,500,000 and the number of women aged 15 – 49 years was 7,500,000, the general fertility rate of the region will be;

$$\text{GFR} = \frac{1,500,000}{7,500,000} \times 1000$$

$$\text{GFR} = \frac{1,500,000,000}{7,500,000}$$

$$\text{GFR} = \frac{15,000}{75}$$



$$\text{GFR} = 200/1000$$

- *This understood as, 200 children were born for every 1000 women in their reproductive years.*

Generally, fertility rate is much higher in developing countries than in the developed regions. That is, the child-bearing rate is appreciably higher in the age group of 20-29 than in the 15-19 and 30-49 age groups.

Total Fertility Rate (TFR)

TFR is the *average number of children that would be born alive to a woman during her lifetime if she were to pass through all her child-bearing years*. It is generally known as an effective *summary rate* for describing the frequency of child bearing in a year. It is helpful for comparing the fertility performance of different populations or social groups.

TFR is the sum of the age-specific birth rates (5-year age groups between 15 and 49) for female residents of a specific geographic area. This rate estimates the number of children a hypothetical cohort (person of same age group) of 1000 females in the specified population would bear if they all went through their childbearing years experiencing the same age-specific birth rates for a specified time period.

More importantly, TFR is useful *when comparison is made, for it is standardized for age and is a single summary measure*. It is helpful for comparing the fertility performance of different populations or social groups.

$$(\sum \text{ASBR}) \times 5$$

i.e. ASBR (Age specific birth rate)

Example ; Assume as this population trend as region (B) by 2019

Age Group	2019 Births	2019 Female Population	ASBR (Live births per 1000 per ages)
15-19	15,000	195,000	ASBR= $15,000 \times 100 / 195,00 = 77$
20-24	25,000	213,000	“ 117.3
25-29	30,000	232,000	“ 129.3
30-34	24,000	221,000	“ 108.6
35-39	12,000	215,000	“ 55.8
40-44	3000	210,000	“ 14.3
45-49	800	200,000	“ 4
Σ of ASBR= 506.3			

TFR = $506.3 \times 5 = 2532$ live births observed per 1000 female of the region in 20197 who live through their reproductive years.

✎ The number of children born to women in developing countries is much larger than to women in the developed region.

The main factors of Fertility distribution in the world

✎ There are Various factors affecting fertility distribution in the world .The main factors that affect either negatively or positively are;

1. **Early marriage:** more children are born to girls who marry early, because they are exposed to sex for more of their reproductive ages (15-49).
 - Early marriage positively affect growth rate while late marriage negatively affected
2. **Lower women status** (education, employment, family decision making, etc.
 - a. **Illiteracy:** Having low awareness of women about how to limit family size, increase their marriage ages, use contraception, and so forth.
 - b. **Unemployment:** usually motivates women to limit family size, partly because they have less time for performing child-care tasks. Also, employment generally increases access to information about how to limit family size.
- Unemployment and high literacy rate caused high population gaining whereas, employment and access education of mothers cause population loss.

3. Socio-cultural factors

- a. **Ethnicity**; considering having large size family as popularity in community.
- b. **Religion** ;The teachings of some religions oppose the use of contraceptive methods

4. Sex preference; The desire to have children of one sex over the other

Birth rate can reduce through;

- ✓ Improving the status of women
- ✓ Improving family planning awareness
- ✓ Education, employment
- ✓ Birth regulation

Mortality


Mortality is the **occurrence of death/the end of life on the earth**. Mortality rate decreasing worldwide and higher in the **poor countries** than in the wealthy regions. Because of the variations **in standards of living, nutrition, medical services, personal hygiene** and **environmental sanitation** between the two regions. Mortality can be measured in terms of crude death rate and infant mortality rate.

Crude death rate

Crude death rate expressed as the ratio of total deaths to mid-year total population in a year at a particular place.

$$\text{CDR} = \frac{\text{Numbers of total deaths}}{\text{Total Population}} \times 1000$$

Example; Assume as Region –y- total number of deaths observed in 2019 was 360,000, and the total mid-year population was 33,000,000. Then CDR will be;


$$\text{CDR} = \frac{36,000}{33,000,000} \times 1000 = 11/1000$$


- ***This interpreted as; deaths of 11 persons were observed for each 1000 people. For every 1000 people in the region, 11 peoples died every year in average.***

Infant mortality rate

IMR is the ratio of infant's death/ under one year/ to total live births, in a given year.

$$\text{IMR} = \frac{\text{Numbers of infants death}}{\text{Total live Births}} \times 1000$$

Example ;If the total newly born of region –X- are 80,000 babies and the number of infants death in the region were 40,000 what is the IMR ?



$$\text{IMR} = \frac{40,000}{80,000} \times 1000 = 50/1000$$

This understood as; deaths of 50 infants were observed for each 1000 newly born child with in a year.

Infant mortality rate is a good indicator of the level of **development** of any country. Wealthy countries such as **Europe has low mortality** rate because of their high quality of life however the poorer regions such as African countries, including Ethiopia characterized as **high infant mortality rate, due to malnutrition, various diseases and poor environmental sanitation.**

The new born child life expectancy is very short in **less developed** states while, **very long** in advanced regions. Life expectancy is the number of years a new born is expected to live.

Migration


Migration involves movement of people and thereby **influences both the rate of growth and distribution of population** because of different factors. The furthestmost common determinant factors of migration that can affect population growth are;

Immigration Rate

Immigration is the ratio of the numbers of immigrants per total population at destination and causes population **gaining/rising** population size. Immigration calculated as the numbers people arriving at a destination per 1000 people in a given year.

$$\text{IMR} = \frac{\text{Numbers of Immigrants}}{\text{Total population at destination}} \times 1000$$

Understand as, the number of immigrants of region –B- by 2015 was 45,000 and the total population at destination is 1500,000, what is the IMR of the region?



$$\text{IMR} = \frac{4,500}{1,500,000} \times 1000 = 3/1000$$

This interpreted as; 3 peoples immigrated out of every 1000 people to the region with in every year.

Emigration Rate

The ratio of the numbers of emigrants per total population of origin area. Emigration causes population **loss /decreasing** population size Calculated as the number of departing people from an area of origin per 1000 people of the area of origin in a given year.

$$EMR = \frac{\text{Numbers of Emigrants}}{\text{Total population of the origin}} \times 1000$$

- ✓ Understand as, the number of Emigrants in region –B- in 2015 was 4200 and the total population at destination is 600,000, what is the IMR of the region?

$$EM = \frac{4200}{600,000} \times 1000 = 7/1000$$


This interpreted as; 7 people departed from their origin out of every 1000 people live in the place within a year.

Net Migration Rate

Shows the net effect (balance) of immigration and emigration in an area and is the difference between the numbers of immigrants and emigrants.

$$NMR = \frac{\text{Num immigrants} - \text{Num of Emigrants}}{\text{Total population}} \times 1000$$

- ✓ Suppose the number of emigrants and immigrants of country ‘G’ are 40,000 and 250,000 respectively. If the total population is 105 million, what is the NMR for country ‘G’?


$$NMR = \frac{250,000 - 40,000}{105,000,000} \times 1000 = (-2/1000)$$

This is interpreted as; out of every 1000 people in a certain place emigrants exceeds immigrants with two people every year. This shows population loss.

Measures of Population Change

In order to calculate the change in the total population size of a particular nation or place one has to use the following formula.


A. Rate of Natural Increase

It is the difference between birth and death rates and is **naturally caused numerical change** of a population which results from the interplay between fertility and mortality.

It is expressed as:

$$\text{RNI} = \text{Birth rate} - \text{Death rate.}$$

Example; If the birth rate of region is (B) by 2018 was 30/100 and 15/1000, what were the RNI in the region?


$$\text{RNI} = 30/100 - 15/1000 = 15/1000 \text{ or } 1.5\%$$

✓ *This mean, the population of the region growth rate is by 1.5% increasing within a year. Or out of 1000 population in the region, averagely 15 live births were observed in the year.*

B. Population Growth Rate (PGR)

✓ PGR is the measure or the degree in which a certain region population increase or decrease. In order to find the growth rate of a population, we consider net migration rate and rate of natural increase.

$$\text{PGR} = \text{RNI} \pm \text{NMR}$$

$$\text{PGR} = \text{BR} - \text{DR} \pm \text{NMR}$$

Assume, If the RNI of place 'y' is 2.4% and the NMR is 5/1000, find the population growth rate for place 'y'.

$$\text{GR} = \frac{24}{1000} \pm \frac{5}{1000} = 29/1000 \text{ or } 19/1000$$



$$\text{GR} = 2.9 \text{ or } 1.9$$

The doubling time of region –Y- = $70/2.9$ or $70/1.9$

$$\frac{70}{2.9} = 24 \text{ years or } \frac{70}{1.9} = 67 \text{ years}$$

This take to mean as; the population of the region being double within 67 years.

If the birth rate and death rate of region –M- were 29/1000 and 11/1000, respectively, what was the rate of natural increase?


$$\text{RNI} = \frac{29}{1000} - \frac{11}{1000} = 18/1000 \text{ or } 1.8\%$$

✓ *This understood as; 1.8% of the total population increase annually in the region Or 18 new born added to the region out of 1000 people.*

Depending on the below population data of region –B- calculate the corresponding question.

- A. Birth rate=50/1000
- B. Death rate=20/1000
- C. Immigration rate=25/1000
- D. Outmigration =10/1000

What is the population growth rate and doubling time of the above region?

$$\text{RNI} = \frac{50}{1000} - \frac{20}{1000} = 30/1000 \text{ or } 3\%$$

$$\text{NMR} = \frac{25}{1000} - \frac{10}{1000} = 15/1000 = 1.5\%$$

$$\text{GR} = \frac{30}{1000} \pm \frac{15}{1000} = \frac{15}{1000} \pm \frac{45}{1000}$$

1.5% or 4.5%

POPULATION STRUCTURE

Population structure is the distribution of ***males and females within different age*** groups. ***Sex and age*** structures are basic characteristics and biological attributes of a population, and they affect demographic as well as ***socio-economic situations***. Data on population age-sex structure is ideally collected through ***Census***.

- ✓ ***Census***: Reflecting the complete population count.
- ✓ ***Population Pyramid***: Graphical illustration of age and sex structure through diagram.

The shape of pyramid shows the distribution of various **age groups of each sex** in a human population. The Furthermost effective way to graphically depict the age and sex distribution of a population. The population of a given country can be further grouped into three age categories (segments) of the population consisting of both sexes.

1. 0-14 Years =Young Dependent / Dependent/economically no active/
2. 15-59 Years=Adult /Independent/productive age or active age group/
3. +60 Years =Elders /Dependent/ Dependent/economically inactive/

The proportion of the three age groups varies from *region to region* and among countries. The *developing countries* have a large proportion of their population in the ***young age group***. In developed *countries*, people in the *adult and old* age group account for the largest proportions of the population. Population pyramid different with its information.

A. width of the base of the pyramid

- Birth rate varies with the **width of the base**. A wide base indicates a **high birth rate**, and a **narrow base** indicates a low birth rate. The populations of developing countries characterized **as wide based narrow top**, whereas the population character of advanced region is character as **narrow based, wider at the middle**.

B. Symmetry

- Statistically speaking, pyramids are relatively symmetrical. Any asymmetry indicates a size difference between males and females.

C. Shape of sides

- Concave sides indicate a **high death rate**, and convex sides indicate a **low death rate**. The population pyramid of Ethiopia exhibits **concave sides**, indicating a high death rate.

D. Sex Structure or Composition

- A population pyramid also tells how many people of each sex live in an area.

Sex-ratio (SR)

Sex ratio is **numerically measurable**. Defined as the number of males per 100 females. is the Sex ratio is expressed in **percentage or ratio form**.

- ❑ The number of males per 100 females is called **masculinity**.
- ❑ The number of females per 100 males is called **femininity**.

$$SR = \frac{\text{Num of Males}}{\text{num of Females}} \times 100$$

Assume as, the total number of workers in ODA/Oromia development Association/ office is 800. Out of this 200 males and 600 are females what is sex-ratio of the workers?

$$SR = \frac{200}{600} \times 100 = 33\%$$

Dependency Ratio

- The age dependency ratio (ADR) of a population indicates the number of social group depending upon every 100 productive age groups. People under 15 and over 65 are considered dependent upon the working population (15 and 65 as the workers of a society). The age dependency ratio (ADR) of a population indicates **how many people are dependent upon every 100 workers**.

$$ADR = \frac{\text{Young} + \text{Elder}}{\text{Adult}} \times 100$$

If the total population size of Bishoftu town by 2014 was 60,000, and if 50% of the total population were young's, 22% were elders and 40% were Adult, what is the ADR of the region?

Young 50% =30,000, Old 22%=13,200 and Adult 40%=24,000

$$ADR = \frac{30,000 + 13,200}{24,000} \times 100$$

$$= \frac{43,200}{24,000}$$

$$= 1.8$$

$$\Rightarrow ADR = 18\%$$

✧ This took as, for every 100 people of economically active age group, there are 18 persons who depend on them.

Example; Calculate ADR by observing the following depending on region population index

Regions	Young age group	Adult age group	Old age group
X	13,387,000	3,161,600	7,307,000
Y	15,431,000	20,200,000	2,145,000

$$ADR(X) = \frac{13,387,000 + 7,307,000}{3,161,600} \times 100$$

$$\Rightarrow = 65\%$$

This means that, for every 100 people of working age /active/, there are 65 persons who depend on them.

$$ADR(Y) = \frac{15,431,000 + 2,145,000}{20,200,000} \times 100$$

$$\Rightarrow = 87\%$$

This taken as, there are 87 persons that depend upon 100 persons.

Age-sex structures of the population of different countries vary shapes of their population pyramids. There are three classes of population: Expansive expanding population pyramids, which have the classic triangular Shape with wide base and narrow top, indicating a high birth rate and a high death rate.

Population pyramids

- ✚ The population pyramids of advanced regions characterized as; ***Narrower at the base, Broader at the middle, lower birth rate, low death rate***, with steady and static population growth.
- ✚ The population pyramids of less developed regions characterized as; ***Narrower at the top Broader at the bottom, Higher birth rate, higher death rate*** with fastest and rapid population growth.

SPATIAL DISTRIBUTION OF WORLD POPULATION

- ✚ Population distribution is the way how population ***spreads out over a given area***. The world-population distribution is ***uneven***. World population ***distribution*** and ***concentration*** varies across the earth between developed and developing countries, between rim lands and hinterlands, between highlands and lowlands, and between the Northern Hemisphere and the Southern Hemisphere

Factors of Population Distribution

- ✚ Numerous factors have positively and negatively influenced population distribution. The extreme current ***unevenness*** in population distribution is due to these factors: ***Ecological (physical) factors, Socio-economic factors, Political factors, Demographic factors***. Population distribution indicated by population density.

Population density

- ✚ **Population density** is the average number of people per square kilometer in a given area. Some factors, for example, ***favorable climate, fertile soil, adequate water supply, and industrial development positively*** influence population concentration.
- ✚ Factors such as ***unfavorable climate, topography with poor soils, and inhospitable areas*** where communication and trade are difficult, ***discourage large human settlements***.

a. Densely populated

1. Asiatic population belt (supports more than 60% of world population).

1.1. ***East Asia***- China, Japan and Korean Peninsula (supports 25% of world population).

1.2. ***South Asia*** - India, Pakistan, Bangladesh, Myanmar (Burma) and Sri Lanka (supports) accounts for about 25% of world population.

Favorable climatic condition for agriculture, Birthplace of one of the principal human races and high industrial development. Small-scale agriculture, which essentially is traditional in nature and subsistence levels, level of Irrigation technology (for rice cultivation).

2. *Europe (more than 10% of world population). This because of Favorable climate, Conducive agriculture land and High industrial development of the region.*

b. Sparsely populated areas

- a. *Tundra* ; (part of N. America and Eurasia). Very cold climate (no cultivation).
- b. *Hot and dry lands; (tropical deserts)*. High temperature. Shortage of water.
- c. *Hot and humid; regions Amazon, Congo and Indonesia basins*. Very high humidity, rainfall and temperature.
- d. *High relief areas; High Mountains with rugged topography, Cold temperature. Areas with poor soil. Poor soil, badly degraded lands.*

➤ The condition that are encouraging population density are; *adequate rain fall, fertile soil/alluvia/,good weather, industrial congestion, agglomerated economy, good market center and etc.*

➤ The conditions that may discourage population density are; *Low rainfall ,Little water for farming ,infertile soil ,very leached , Very hot and dry climate, Warm & humid climate and Icecaps regions.*

Population Density

➤ The population density is not uniform. Some areas are overcrowded, while others are sparsely settled or uninhabited. Population density termed as the spread of population over space, is measurable in various ways. We can relate numbers of inhabitants to area of lands inhabited

There are two measures of density. These are;

- A. Crude density or Arithmetic density
- B. Agricultural density or Rural density

A. *Crude density or Arithmetic Density*

➤ Crude density is the ratio of total population to total area or human-land ratio.

$$CD = \frac{\text{Total population of an area}}{\text{Total area, in sq.km, of the are ea}}$$

If the population of Ethiopia was estimated at 79 million in 2010 (CSA 2010) and its total area is 1,106,000 km². Find the crude population density.

$$CD = \frac{79,000,000}{1,106,000 \text{ km}^2} = 71.4 \text{ km}^2$$

This construed as, nearly 71 people settled on 1km² area in the well-known region.

B. Agricultural density or rural density

$$AD = \frac{\text{Rural population}}{\text{cultivated land}}$$

Example

- ✚ Ethiopia has a total territorial expanse of about 1,106,000 km², out of which about 16% was under cultivation in 2007. Its urban population was about 16.2% of the country's total population which stood at about 73.9 million people. Rural population was about 61.9 million, and the area under crop was about 176,960 km². what Crude and agricultural density?

What is agricultural density?

Rural land= 83.8%=61,900,000

Cultivated land=16% =176,960

$$AD = \frac{61,900,000}{176,960 \text{ km}^2} = 350/\text{km}^2$$

This means, approximately around 350 people /agrarian/ live on 1km² cultivated lands in the region.

3. Human Migration

- ✚ Migration is the **relocation or resettlement** of communities from a place of origin to a place of destination. Migration begins in an *area of origin* and is completed at an *area of destination*. The term permanent migration is used for situations in which the mover has no returning to the place of origin.
- ✚ Migrants who move from one country to the other loss the population size of the origin. But the movement of people from region to region is not considered as population loss for the country. The movement of people cross boundary is called **international migration** However; the movement within a national is called **internal migration**.
- ✚ A movement in which a migrant arrives at the last destination after a series of short-term moves to other locations is referred to as **step migration**.

- When people move out with the intention of returning back to their place of origin after a few months or a season or more, this movement is called *seasonal migration*. Seasonal migration most familiar in rural areas.
- Migration can take the form of *refugee migration*, when people move for **political reasons, war, ethnic conflicts and discrimination or religious persecution**.
- Migration caused by *natural disasters* like **earthquake, volcanic eruption, flooding, drought, etc.** *Resettlement migration*, when people are displaced by *war, natural calamity*, etc. New location and, generally, given assistance in order to establish themselves therein.

Causes of Human Migration

- The main pushing and pulling factors affect human migration are: ***economic, social and ecological considerations, individual perceptions and behavior***.

a. Economic factors

- Economy motivate migration, acting as *pull or push* factors. The principal economic force is the search for **employment**, accompanied by the *exploitation of natural resources*, such as minerals, and the availability of good communication networks.

b. Ecological factors

- Environmental crises such as **droughts, desertification and industrial accidents** can have profound impacts on human migration. Environmental or ecological *refugees* have become the single largest class of displaced people in the world.

c. Social factors

That influence migration, negatively and positively, include social *oppression, political control* and the ***availability of housing, health care and training***. *Pull factors* are those which attract the migrant to a particular destination. For example, *good social and welfare services, a pleasant environment and political stability*, *Push factors*, on the other hand, are forces which work in the migrant's home area. They impose pressures which persuade or compel a person to move away. For example, push factors include the impacts of ***natural disasters (drought, flood, and famine), low wages, poor employment and political instability***.

POPULATION THEORIES

✚ Currently different elites investigated different ideas while some of the encourage rapid population growth; the others generate critics to one another. Different studies result different ideologies and school of thoughts in the world. Among these some of them are the following;

1. Malthusian Theory

- ✚ Malthus was England Economist developed the thought on ***population growth rate” controlling the fast population growth and in the long term maintains a balance between population and resource.***
- ✚ Malthus postulated the *catastrophes as positive checks*, used preventive checks to control population fast growth which meant moral restraint includes, late marriage, avoiding sexual contact before marriage, having fewer children.
- ✚ Malthus in his theory opposes ***any artificial methods of birth control/family planning/ method.*** He believed as, ***People should control their natural sexual urges to avoid occurrence of catastrophic.*** Concluded “the poor are to be blamed for their poverty’

Anti-Malthus

- ✚ Believed growth will slow down well before it is limited by scarcity of food and other resources or the ingenuity /cleverness/ of humankind will solve the problems, overcoming potential scarcity of food and other resources.

2. Marxist population theory

Marx's was German Economist suggested Scarcity of food is not the result of overpopulation; Rather is purely the unequal distribution of natural resources by capitalism. Focused on economic structure of the society and believed the solution would be found in new social order.

3. Boserupian population theory

Boserup was Danish Economist develop population theory as, ***Population growth would lead to agricultural development. Population is available that contributes positively to agricultural development*** because it leads human kind to innovation.

Population growth could not be controlled by scarcity of food and other necessities’ ‘necessity is the mother of invention ”As the size of population increase, it results in technological innovations advancement.

Impacts of over population

- ✚ The main drawback of overpopulation of population ion exploitation are; Environmental degradation, Depletion of natural resources, Wars, Increase in crime rates, Loss in biodiversity, Increase in pollution, Ecological collapse, Over extensive farming, Loss of arable land and Desertification, Increasing epidemics, Malnutrition and starvation, Housing problem and Rise in unemployment,

Urbanization

- ✚ ***Urban*** is the place relating or belonging to town.
- ✚ ***Urban centers*** are settlement where the majority of population is engaged in nonagricultural occupation.
- ✚ ***Urbanism refers to a city or town characteristic, the typical condition of a city or town***, or a way of life characteristic of a city or town. ***Urbanization*** is an increase in proportion of people living in town and cities.
- ✚ ***Urbanization*** is the process through which society is transformed from *being predominantly rural*, in economy, culture and life style, to *being predominantly urban*. Refers the Large numbers of people become permanently ***concentrated in relatively small areas, forming cities or towns***. Some of the criteria used to identify urban settlements and designate them as towns or cities include; the ***Status of an urban settlement, Population size and Population function***.
- ✚ To be urban most countries should accounts 2000 to 5000 population size but in Ethiopia to be Urban center if the numbers of inhabitants equals or exceeds 2000, and engaged non-agricultural activities. The percentage of urbanization increasing form century to century in world history. Up to 1800, less than 3% was urbanized, at 1900, about 20%, 1950, 30% and around 1999, 47% was urbanized. This shown the Urbanization developed from time to time. Currently equals or exceeds that in rural areas.

Factors that affect Urbanization

There are a lot of causes that motivated ***Urban sprawl***.

a. High rate of natural increase of population

- ✚ An *increasing urban birth rates* and *decreasing death rate*, resulted in population growth and so does urbanization.

b. ***Rural to Urban Migration***

- Urban to rural migration is very functional in less developed region to faster urban growth due to rural ‘push’ factors for better job prospects ***better social services***.

c. ***Industrialization***

- Industrialization led to a huge demand for ***labor in mining and manufacturing*** centers. Urbanization was the result of ***economic development*** triggered by ***industrialization***.

Problems of Urbanization in developing country

The main problems of Urbanization less developed regions are; ***Poverty, Poor sanitation, Environmental degradation, inadequate social service provision, urban slums, Unemployment, Social evils, inadequate transport and community facilities***

POPULATION OF ETHIOPIA

Population Size, Distribution and Growth Rate

The above table illustrated that the population growth rate was dramatically fast from decade to decade. The number of population size during 1900 11.8 million while 63.4 million since 2000. The population size of Ethiopia between 1950-1980 doubled within 30 years. This showed the doubling duration of Ethiopian population size is very short time.

The doubling duration lowering from time to time whereas the population number increasing dramatically because of high rate of natural increase and decreasing death rate because of medical accessibility.

Ethiopia is the most populous country in Africa next to Nigeria. This rapid growth seriously strains socio-economic development.

Ethiopian census

Ethiopian Government conducted three successive population and housing censuses. This shows the population growth rate of Ethiopia is very high and it took very short to be double. Ethiopia only conducted population and housing census three times. During the first census of Ethiopia (1984) the population number was 39.9 million, grown to 53.1 since 1994, while at the third census the population size of Ethiopia recorded as 73.9 million at 2007 which shown unbelievable change. The census report showed that, the population of the country increased by more than 31 and 21 million over 23 and 13 years, respectively.

Spatial Distribution of Population

The pattern of Ethiopian population distribution is markedly ***uneven from region to region***. Very high population densities in the ***highland and peripheral lowlands*** of the country very sparsely populated.

Physical factors include; climate, soil, vegetation and relief.

Human factors primarily; consist of migration, development of infrastructure, types of economic activities and

Political factors; the related to government policies such as *resettlement programs, land tenure system, villagization process*, etc.

- ✦ *More than 80% of the population lived in three regions Oromiya (36.7%), Amhara (23.3%) and SNNPR (20.4%).*
- ✦ *Very low-population areas are found in the peripheral lowlands of Benishangul Gumuz, Gambella, Afar and Somali regions.*
- ✦ *According to the Data obtained from ECSA the top ten densely populated regions of Ethiopia are; Gedeo, Kembata Tembaro, Sidama, Wolayita, Hadiya, Gurage, West Arsi, East Shewa, Jimma and East Hararge.*
- ✦ *The top ten sparsely populated regions of Ethiopia are; Agnewak, Metekel, Kemashi, Zone 1 Afar, Zone 2 Afar, Asossa, Warder, Korahe, and Fik*

Positive factors that give population densities

Environmental (Physical) Factors such as Favorable climate, Flat, ***low-lying relief*** and good drainage, Rich biotic life (plants and animals, ***Fertile soil, low incidence of tropical disease*** (like malaria))

Human Factors such as; Transport *linking* different areas, ***Economic – money*** and technology to create industry and jobs, Agriculture – *enset* and coffee ***cultivation***, ***Political – government investment in schools, hospitals, roads*** and etc

Components of Population Change in Ethiopia

Fertility in Ethiopia

Ethiopia's total fertility rate is one of the highest in the world. In 1984, TFR was 7.52 per woman. By 1994 it dropped to 6.74. Fertility rate is high in rural area than urban centers of Ethiopia.

There is significant fertility variation between urban and rural areas. For example, in 1984, TFR in urban areas was ***6.33, while it was 8.08 in rural areas***.

Fertility also varies from region to region. In 1994, Oromiya and the SNNPR recorded the highest TFRs, reaching as high as **7.26 and 7.16**, respectively. In contrast to this, Addis Ababa, Dire Dawa, Harari and Gambella recorded TFRs **of less than 4.3**.

Mortality in Ethiopia

- Ethiopia has one of the highest levels of mortality in the world .High death rate in Ethiopia is caused by poverty, low living standards and poor access to health services, civil war, and recurrent drought and famine. Deaths of infants and under the age five is high in Ethiopia. Which is mostly caused by measles, malaria, malnutrition, and acute respiratory infections such as pneumonia and influenza? Currently mortality rates have decreased because of improved medical technology and the improved access to health services.
- Crude death rate dropped from 20 per 1000 population in 1970 to 16.4 per 1000 in 1990 and then to 12 per 1000 in 2010. The infant mortality rate declined from 153 deaths per 1000 live births in 1970 to 110 in 1990 and then to 77 in 2010. Rural areas characterized by high crude death rate and infant mortality rate than Urban settlers .However, life expectancy of Urban settlers are higher than those rural population.

Population Structure of Ethiopia

a. Age structure

- Ethiopia's population age structure is predominantly **known as young** .this is because of the highest percentage is dominated by children. Age structure of Ethiopian Population are 45% young,3% elders and 52% economically productive this mean 48% of Total population of Ethiopia are dependent and are not active social group this increases dependency ratio in the country.
- Ethiopia has one of the largest numbers of **non-productive populations** in the world. This is a direct result of the country's high fertility rate. This amplifies the government expenditure for social service such as education, health, shelter, food and other basic social services are very high.
- This demographic instability of large, highly dependent and consuming, population's cripples the socio-economic development process and can impede sectorial planning. Moreover, **unemployment and under employment** tend to prevail due to national economic issues.

b. Sex Structure

- Sex structure is very important for demographic analysis because it provides useful information about reproductive potential, human resources, and so on. In 2007, Ethiopia had an almost balanced (one-to-one) sex ratio, both in rural and urban areas. Male populations exceeded female populations in all regions except in Addis Ababa, Tigray and the SNNPR.

Population Policy of Ethiopia

- Population Policy is the all attentive Government actions and Measures intended to control population growth, size, distribution and composition. Generally, population policies are used as guidelines to create *positive relationships between population and resources*. Population policy in Ethiopia used to ensure *balanced growths of population and economy*. There are two major types of population policy used by different countries in the world.

1. Pro-natalist (populations) policies

- The policy seeks to increase fertility rate, in particular and population growth rate in general. Designed to *encourage population growth*.

Adopted for maintaining military strength, economic production and national pride. Countries used this policy when their economic growth rate exceeds growth rates of population. Examples: *Netherlands, Kuwait and Israel*.

2. Anti-natalist policies

- Population policy seeks to lower fertility rate, in particular and population growth rate in general. Designed to reduce birthrates and moderating rapid population growth, preventing social problems such as shortages of housing, education and social services. Since Ethiopia is one of the fastest growing populations in the world, government adopted an anti-natalist population policy.

The general objectives of Ethiopian population Policy

- ✓ Closing the gap between high population growth and low economic productivity
- ✓ Reducing the rate of rural-to-urban migration,
- ✓ Environmental-protection and conservation measure,
- ✓ Raising the economic and social status of women,
- ✓ Facilitating research programs in *reproductive health*,
- ✓ Promoting **male involvement** in family planning,
- ✓ Diversifying contraception methods and etc

REVIEW EXERCISE FOR UNIT THREE

1. The none biological component that determines world population change is
A. Fertility rate B. Mortality rate C. Birth rate D. Migration
2. The ratio of “*the number live births to mothers in reproductive age*” is mentioned as----
A. CDR B. CBR C. GFR D. RNI
3. Among the following one factor is discourage fertility rate in the world
A. Early marriage B. Low educational status C. Late marriage D. Sex preference
4. All are the regions of the world that encourage the **pro natalist** population policy except-----
A. Ethiopia B. Netherlands C. Israel D. Sweden
5. The 2019/20 total number of students in Oromia development association special boarding school Bishoftu branch is 264. Of these 106 students are female. So, what is the sex ratio of the students of the school?
A. 106% B. 50% C.120% D.149%
6. Which of the following are the main impacts of Overpopulation particularly in third world countries?
A. Environmental degradation B. Ecological collapse C. Malnutrition D. All
7. All of the following are the current problem of urbanization in developing regions except----
A. Poor sanitation B. urban slums C. Employment D. Poverty
8. If the doubling time of a certain region is 12 years ,this data interpreted as;
A. The population of the region reduce yearly with 12%
B. The birth rate of the region is 12/1000 every year
C. The current population of the region doubled within 12 years
D. The population size of the region increased by 12 persons every year
9. Among the following one is not physical factor affecting the distribution of population?
A. Climate B. Soil C. Vegetation D. Infrastructure
10. Which of the following is the sparsely populated region of the world?
A. East China B. South china C. Tundra land D. European peninsula

According to Ethiopian 1994 CSA data indicated,

Arable land	Total population	Cultivated land	Rural population	Total area
969,680	53,447,265	185,177	46,154,058	1,106,000

11. What is Crude density?

A. 48/km² B. 483/km² C. 483/km² D. 249km²

12. What is the agriculture density?

A. 288 /km² B. 48/km² C. 249/km² D. 46/km²

13. Describe the following terms. Anti -natalist and natalist population policy.

14. List the main pushing (negative) and pulling (positive) factors of population movement or migration in the world?

15. There are a lot of general objectives to control Ethiopian dramatic change of population growth.

List some of Ethiopian general objectives related to controlling population growth rate.

By using *the following data, calculate and interpret the result you obtained from each measure.*

⇒ **Birth rate =90/1000**

⇒ **Death rate =40/1000**

⇒ **Immigration rate=22/1000**

⇒ **Emigration rate=8/1000**

16. What is the population growth rate of region?

17. Calculate the rate of natural increase for region.

18. Calculate net migration rate of the region.

19. Calculate the doubling time of the region.

Read carefully the following data and calculate the given question

Number of live births =60,000

Number of total deaths=40,000

Number of infants death=20,000

Number of women aged (15-49) years=600,000

Total population =2 million

20. Calculate (CBR,CDR, GFR,RNI and IMR) of the region and *interpret the result you obtained from each measure.*

CHAPTER FOUR

ECONOMIC SYSTEM AND DEVELOPMENT

INTRODUCTION

Economic system is the means or structures in a society within which decisions about what, how and when to produce goods and services and where to allocate them are made and implemented. Examining the role and functions of world economic organizations such as the World Bank, the International Monetary Fund (IMF) and the World Trade Organization (WTO) is important.

The concept and the various impacts of globalization will also be treated. To achieve economic growth and development, different countries use different economic systems. There are four major economic systems practiced in the world.

TYPES OF ECONOMIC SYSTEMS

These are; Traditional Economic System, Free Market Economic System, Command Economic System and Mixed Economic Systems.

1. Traditional Economy

Traditional economic system is the economic way in which the *primitive societies* activated to achieve *their daily livelihood* with the production of little good and services.

- Production is geared for *subsistence life and basic survival* extremely practiced by *backward areas or primitive societies* like hunters and gatherers.
- Traditional economy *employs simple, backward and traditional* means in the process of food production.
- Trade mainly practiced by a *bartering system an exchange of commodities by commodity*.
- Basic economic question (what to produce? how to produce? for whom to produce?) answered by *custom, habit, religion, or law in traditional cultures*.

Traditional economic activity characterized by:

- Lack of knowledge of science and technology,
- Low productivity and

⇒ Low level of exchange of goods.

2. Market Economy

- Economic system in which *individuals make the main decisions regarding economic activities and transactions.*
- Individuals are *free to make economic decisions* concerning their overall *demand and supply* (not centralized).
- The basic economic questions are answered by the *interplay of buyers and sellers.*
- The guiding principle of market systems is self-interest (determined by buyers and sellers) freely.
- Characterized with open and free competition index of individuals.
- There is no pure free-market economy in the world.
 - ⇒ Governments interfere in; *dealing with problems of inflation and employment, educating society, controlling prices of power supply and food, imposing taxes and Strengthening national defense*
- Free market economy encourages individual's responsibility for decisions.
- They also believe that economic freedom is essential to political freedom.

Market economy is characterized by:

- ⇒ Private property.
- ⇒ Economic freedom.
- ⇒ Prices determined Buyers and sellers.
- ⇒ Decentralized decision making.

3. Command Economy

In a command economy, decisions about *production and consumption* made totally by the government. The economic question such as what to produce, how to produce and for whom to produce answered by the *government or a group of planners*. All factories, *land, housing and projects* owned by the government. Countries such as North **Korea, Cuba and China** practiced *command economy in the world*. **Command economy characterized by:**

- ⇒ The government *develops and enforces plans.*

- ✚ Goods and services are distributed through **government agencies**.
- ✚ The Government has **power to make economic decisions for the society as a whole**.

4. Mixed Economy

Both **government and private sectors** play an important role in answering the “what”, “how” and “for whom” questions concerning society as a whole. The government **may not only own and run key industries**, means of transport, power, and water supply.

Government might influence prices of agricultural products, rather than allowing them to be influenced by market forces, offer incentives (tax relief, grants, exemptions or penalties) to encourage particular activities.

- ✚ Most countries of the world have mixed economies (**France and Sweden**).
- ✚ Some are close to command economy while others rely more on market economy.
- ✚ In a mixed economy, there is competition between the government and the private sectors.

An over views of world common economic systems

Nom	Type of economic system	The main feature of the system
1	Market /capitalist/ economic system	<ul style="list-style-type: none"> ✚ Promote the right to private property ✚ Free engagement of entrepreneurship ✚ The freedom of customers to choose good and service ✚ Individuals profit motives ✚ High rate of individual competition ✚ Minor role of government
2	Command /Socialist/ economic system	<ul style="list-style-type: none"> ✚ Central economic planning ✚ Government play strong role ✚ Relative equity of income ✚ Maximum social welfare ✚ Collective owner ship of business
3	Mixed economic system	<ul style="list-style-type: none"> ✚ <i>Coo existence of public and private sector</i> ✚ <i>Economic welfare</i> ✚ <i>Economic planning</i> ✚ <i>Economic equality</i>

SUSTAINABLE ECONOMIC DEVELOPMENT

Sustainability implies the *future growth and overall quality of life in societies*. Development is a process by which members of a *society increase their personal and institutional capacities to mobilize and manage resources to produce sustainable improvements in their quality of life*.

- Economic development focus in the change in the *quality of the products* and *quality of life of people*. Economic development include enhancement in, *productivity, institutions and attitude, Modern knowledge and Change in economic equalization*.
- Economic development must involve three core value *sustenance, self-respect and freedom from servitude*. The basic Social development is; (*Education, health, drinking water* and Infrastructure).The main Settings of development are; *Poverty level, Growth, Rural Issues* and Urban Issues and Global Player.

Economic growth versus economic development

Economic Growth

Economic growth is a measure of value output of goods and service within a certain period of time. It is an increase of the total amount of production and wealth of a given economy. Growth mainly focused on wealth and how fast the production and production of goods and services increases quantitatively.

Economic development

Economic development measure the welfare of human beings in certain state and structural and technological change. Development is both quantitative and qualitative in that it involves increment in production, service provision; income implies improvement in overall living condition of population. Growing economy can definitely promote development

The main objectives development is;

- To increase an availability and distribution of basic needs of society such as food, shelter, health services and clothing.

- ✚ To raise living standards and levels of income, level of employment, education and attention to cultural and human values.
- ✚ To expand the range of economic and social choices.
- ✚ Creating conducive environment for the establishment of social-political consensuses and self-esteem to promote dignity and respect.
- ✚ Economic development strategies need consideration for the sake of increasing the *productive capabilities* of human wealth and the *health of the environment*.
- ✚ To accomplish the main objectives of economic development, the following points should take in consideration.

These are;

- ✚ *Hardworking and energetic labor force* of nation.
- ✚ Improving the skill and the ability of the working force.
- ✚ Ensuring *adequate medical care* for active labor force.
- ✚ Improving *technological supply* and other *know how inputs*.
- ✚ *Environmental conservation* is things to consider.

According to the World Commission of Environment and Development (1987),

- Sustainable development is development that *meets the needs of the present without compromising the ability of future generations* to meet their own needs”.
- Sustainable development has three components. These are; *Environment, Economy and Societies*.
- With an association of *environment, society and economy*, human wellbeing becomes aggregated.

Generally, Economic development aimed;

- ✓ *Eradicating poverty and*
- ✓ *Reducing disparities in living standards* are essential goals for achieving sustainable development and meeting the needs of the majority of people.

Indicators of Economic Development

The main indicators of development in the world include;

- Per-capita income

- Gross Domestic Product (GDP)
- Standard of living

1. Growth Domestic Product

GDP is the *total value of currently produced final goods and services* within a country's borders, usually in a year, irrespective of who owns the outputs. The GDP is a *measure of the market value of commodities*.

- ↗ The GDP in developing regions is very low and are dominated by *primary commodities*.
- ↗ The developed regions are dominated highly by *secondary and tertiary economic activities* why they are contributed the biggest shares to the GDP.
- ↗ The higher GDP does not always mean that, the country has high per-capitated.
- ↗ Higher the population of the country, the lower per-capita will often be.

Per-Capita Income

- ↗ PCI is the *average income earned per person* in a given area in specified year.
- ↗ PCI is a measure of peoples' *quality of life* it is indicative of their *standard of living*.
- ↗ The Gross National Product (GNP) is the *total value of goods and services produced by a country in a year*, including incomes secured from abroad, through varied activities.

$$\text{Per-capita income: } \frac{\text{GDP}}{\text{Total population}}$$

$$\text{GDP} \pm \frac{\text{Income secured from abroad} - \text{Income taken away by forieners}}{\text{Total population}}$$

Assume gross domestic product (GDP) of a country for a given year is \$30 billion, total population is 20 million, income earned by foreigners from the domestic economy is \$60 million, and income earned by nationals from abroad is \$200 million. What is the per-capita income for the country?

$$\text{GDP} \pm \frac{30\text{Billion} \pm (200\text{ Million} - 60\text{ million})}{20,000,000}$$

$$\text{PCI} = \frac{30,140,000,000}{20,000,000}$$

PCI= \$ 1,507

- ✓ The GDP and per-capita income for developed countries is **very high** and growing this because their GDP is diversified **urban industrial and commercial economies**.
- ✓ The GDP and Per capita income of Developing countries is very low because their GDP is tending on **primary economy that lack diversification**.

Standard of Living

- ✚ Living standard is the best measure of the quality of life of a given society. Directly related to both the GDP and per-capita income. The higher the GDP, the higher per-capita income will be and vice versa regarding to balance economic and population growth rate.
- ✚ Developed countries have high and constantly growing living standards, while people of the developing world are characterized by low living standards.
- ✚ Based on standard of living world categorized in to as rich/poor, developed/ developing, north/south, first/second world, and more developed/less developed. This is because their economy is urban-based, industrial and specialized in commercial activities, supported by sophisticated technology and infrastructure.
- ✚ Less developed countries include the bulk of the world's countries, which are found in Africa, Latin America, and Asia. Less developed regions practiced traditional economic systems, largely based primary economic activities and characterized by backward and mass poverty.

ECONOMIC ORGANIZATIONS OF THE WORLD

- ✚ Three key institutions serve as economic organizations of the world which are traced their origins at the end of World War II (1939-1945) to overcome the economic crisis facet world in case of war. These are; **World Bank, International monetary fund (IMF) and world trade organization (WTO)**.

1. World Bank

- ✚ The World Bank is the largest known private development bank and specialized agency of the United Nations established in 1944. It is called the International Bank for Reconstruction and Development (IBRD). An international financial institution that **provides loans and grants to the poorer countries** for the purpose of pursuing capital projects for **re -construction and development**.
- ✚ Operates internationally and has its headquarters in the United States in Washington, D.C. Stand for the poorer countries to increase their **economic growth, reducing poverty and better standard of**

living and he World Bank finances projects such as building roads, dams for power generation, and industries. Focused on low-cost loans for health, education and other basic needs of the world's poor.

2. International Monetary Fund (IMF)

The IMF was established in the same year as the World Bank (1944) IMF working to;

- ✧ Foster global monetary cooperation,
- ✧ Secure financial stability,
- ✧ Facilitate international trade,
- ✧ Promoting high employment ,
- ✧ Sustainable economic growth and Poverty reduction.

❖ They then need to borrow money to pay the difference, which is known as **balancing their payments**. IMF initially focused on Europe, but by the 1970's it changed its focus to the less developed economies. The fund imposes certain conditions for loans and requires what are called structural adjustment programmes from borrowers.

The programs promoting;

- ✧ Free markets and privatization
- ✧ Trade liberalization
- ✧ Lessening the role of government, reducing taxes

3. World Trade Organization (WTO)

The WTO was established in 1994 to replace the General Agreement on Tariffs and Trade (GATT) and began its operation on January 1, 1995 in Geneva, Switzerland. An Organization that ***promotes and enforces provision of trade laws and regulations and open trade for benefit of all.***

WTO authorized;

- ✓ To administer and put in place new and existing ***free trade agreements***,
- ✓ To oversee world trade practices and to ***settle trade disputes*** among member states.
- ✓ To help ***producers*** of goods and services, ***exporters***, and ***importers conduct*** their business. The WTO has both supporters and opponents across the world.

The antagonists of WTO argue that;

- ✓ The organization is too powerful because it can ***declare the laws and regulations of sovereign nations*** in violation of trade rules, in effect pressuring nations to change these laws; WTO trade

rules *do not sufficiently protect workers' rights*, the environment and human health. WTO *lacks democratic accountability* because its hearings on trade disputes are closed to the public, the press, etc

WTO supporters argue that;

- ✓ As WTO play the critical role in helping to *expand world trade and raise living standards* around the world.
- ❖ Generally, IMF, WTO and World Bank are considered as the main actors to shape the current era of *globalization*.

Globalization

- ✦ Globalization is the connection of different parts of the world resulting in the **expansion of international culture, economic, and integration** of goods and people among different countries.
- ✦ Globalization is the process by which *people, their ideas and their activities* (economic, cultural, and political) of the world become interconnected.
- ✦ Encourage *ecological inter-dependence, movement of information, Poverty reduction* and mobile factors of production (capital, labor, technology).

The opponents of Globalization argued as globalization *standing for leading industrialized countries* of Europe and North America rather than worldwide regions. Whereas the supporters argued as *Globalization promotes dramatic expansion of science and technology trend worldwide*.

The Advantages of Globalization

- ❖ It creates new *opportunities and benefits*.
- ❖ Industrialized regions declare *tariff restrictions and opened their markets* developing regions,
- ❖ Increasing the *foreign direct investment, promote economic growth and lifting the poor from poverty*.
- ❖ *Payments of remittances* for international migrants of developing countries.

The disadvantages of Globalization

- ✦ Globalization is ***unable to avoid the divergent interest clashes between the rich the poor countries.***
- ✦ ***Not carried out equality among nations.*** It can minimize the risk of one and harming the poorer.
- ✦ The ***strong and wealthy nations have the power*** to promote certain of their advantages.
Western industrialized accept the principles of free market and practice their relationships with developing countries only when they are ***sure their transcontinental corporations are the winners*** in the market competition.
- ✦ The industrialized countries import products from the developing countries ***with very low price and they impose high tariffs*** to the third world countries.
- ✦ The governments of industrialized ***nations subsidize their farmers because*** they want them to sell their agricultural products at lower prices than those of the imported ones from the developing countries.
- ✦ Local markets in the developing countries dominated ***by the goods imported*** from the wealthy regions.
- ✦ Globalization suffers the poorer regions with ***environmental degradation.***

REVIEW EXERCISE FOR UNIT FOUR

1. What is the difference between free market economic system and command economic system?
2. Mention the characteristics and features of the following world economic systems.
 - 2.1.Traditional economic system
 - 2.2.Market economic system
 - 2.3.Command economic system
 - 2.4.Mixed economic system
3. What are the main issues in which the World Bank established for?
4. What are the tools used to measure development? How do we classify countries at different levels of development?
5. What is economic growth?
6. What is economic development?
7. Do you think economic growth and economic development is the same? Why?
8. How do we distinguish economic growth from economic development?
9. Differentiate the following world indicator of economic development.
 - 9.1.Gross domestic product
 - 9.2.Standard of living
 - 9.3.Per capita income
10. What measures should be taken by the communities and government to achieve sustainable economic development in our country?
11. What measures can be taken to improve the development processes of the developing countries? What roles could be played by developed countries in this respect?
12. What makes WTO different from the World Bank and the IMF? Do you support or oppose the WTO? Why?
13. What is Globalization? What are the advantages and disadvantages of globalization? Do you support globalization or not? State briefly your reason for every your options.
14. It is obvious that, Ethiopia is one of the country in which the population size and economic development is no balanced. In addition, different studies also realized as Ethiopia is one of the region currently affected with hazardous environmental degradation. Economists suggested as

“Human want is Unlimited, but resource is limited”. So, how can we close the gap between the above issues? What measures needed to overcome this problem Ethiopia?

15. Rural -Urban migration is the serious issues in third world countries including Ethiopia.

15.1. What is the advantage and disadvantage of rural –Urban migration?

15.2. Which type of migration is most important for the regions their economic development is at infant level? Rural- Urban or Urban –Rural?

15.3. Reason out and debate with your colleagues where ever you are.

Fill the blank space provided in the table below consequently

nom	Types of economic systems	Who answer basic economic questions? Fill in the box.
1	Traditional economic system	?
2	Free market economic system	?
3	Command economic system	?
4	Mixed economic system	?

Answer key for Chapter 3

1. D
2. C
3. C
4. A
5. D
6. D
7. C
8. C
9. D
10. C
11. A
12. C
13. Pro-natalist population policy seeks to increase fertility rate, in particular and population growth rate in general. Designed to *encourage population growth*. Adopted for maintaining military strength, economic production and national pride
14. Antinatalis population policy; Population policy seeks to lower fertility rate, in particular and population growth rate in general. Designed to reduce birthrates and moderating rapid population growth, preventing social problems such as shortages of housing, education and social services.
15. Migration caused by *natural disasters* like ***earthquake, volcanic eruption, flooding, drought, etc. Resettlement migration***, when people are displaced by *war, natural calamity*, etc. New location and, generally, given assistance in order to establish themselves therein negatively affect migration.
16. Closing the gap between high population growth and low economic productivity Reducing the rate of rural-to-urban migration, Environmental-protection and conservation measure, and etc.

ANSWER KEY FOR CHAPTER FOUR

1. Market economy Economic system in which *individuals make the main decisions regarding economic activities and transactions*. Individuals are *free to make economic decisions* concerning their overall *demand and supply* (not centralized). The basic economic questions are answered by the *interplay of buyers and sellers*.

Command economy.

The economic question such as what to produce, how to produce and for whom to produce answered by the *government or a group of planners*. All factories, *land, housing and projects* owned by the government.

2. *Market /capitalist/economic system features are;* Promote the right to private property
Free engagement of entrepreneurship, The freedom of customers to choose good and service
Individuals profit motives High rate of individual competition and Minor role of government

The main fetures of command economy are; Central economic planning, Government play strong role, Relative equity of income, Maximum social welfare and Collective owner ship of business

The main features of mixed economy are; Coo existence of public and private sec, Economic welfare, Economic planning and Economic equality

3. An international financial institution that *provides loans and grants to the poorer countries* for the purpose of pursuing capital projects for *re -construction and development*. The main use of World bank are; Operates internationally and has its headquarters in the United States in Washington, D.C. Stand for the poorer countries to increase their *economic growth, reducing poverty and better standard of living*

4. Economic Growth

Economic growth is a measure of value output of goods and service within a certain period of time. It is an increase of the total amount of production and wealth of a given economy. Growth mainly focused on wealth and how fast the production and production of goods and services increases quantitatively.

5. Economic development

Economic development measure the welfare of human beings in certain state and structural and technological change. Development is both quantitative and qualitative in that it involves increment in production, service provision; income implies improvement in overall living condition of population. Growing economy can definitely promote development

The Advantages of Globalization are,It creates new *opportunities and benefits.*, Industrialized regions declare *tariff restrictions and opened their markets* developing regions, Increasing the *foreign direct investment, promote economic growth and lifting the poor from poverty and Payments of remittances* for international migrants of developing countries.

✎ The disadvantages of globalization are; Globalization is *unable to avoid the divergent interest clashes between the rich the poor countries.*

✎ *Not carried out equality among nations.* It can minimize the risk of one and harming the poorer.

✎ The *strong and wealthy nations have the power* to promote certain of their advantages.

Western industrialized accept the principles of free market and practice their relationships with developing countries only when they are *sure their transcontinental corporations are the winners* in the market competition.

nom	Types of economic systems	Who answer basic economic questions? Fill in the box.
1	Traditional economic system	Culture and customs
2	Free market economic system	Buyers and sellers
3	Command economic system	Government
4	Mixed economic system	Both government and privates

