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Statistical Analysis of Literacy rate and its relationship with GDP per capita.



Literacy Rate vs GDP per Capita

- Literacy: “ability to identify, understand, interpret, create, communicate and compute, using printed and written materials associated with varying contexts”
- GDP per Capita: GDP per capita is gross domestic product divided by midyear population. The data shown in Gapminder accounts for inflation and the presented data is converted into USD.

$$\text{GDP} = \text{private consumption} + \text{gross investment} + \text{government investment} + \text{government spending} + (\text{exports} - \text{imports})$$

Conjecture: Positive correlation, validated by data and its change over time.

Anomalies

- 1) **United Arab Emirates:** Oil revenue. GDP growth of a 100% over 1990-2000. Economy shifted from fishing to oil export.
- 2) **Myanmar (Burma):** Totalitarian socialism from 1988 onwards, suppression of financial and educational institutes. Skyrocketing inflation.
- 3) **Iraq and Iran:** Nationalization and the Iran-Iraq war with about 0.5 million casualties and over 800 billion\$ in cost for both countries.