An Extensive Study of the Factors Influencing World Per Capita Income

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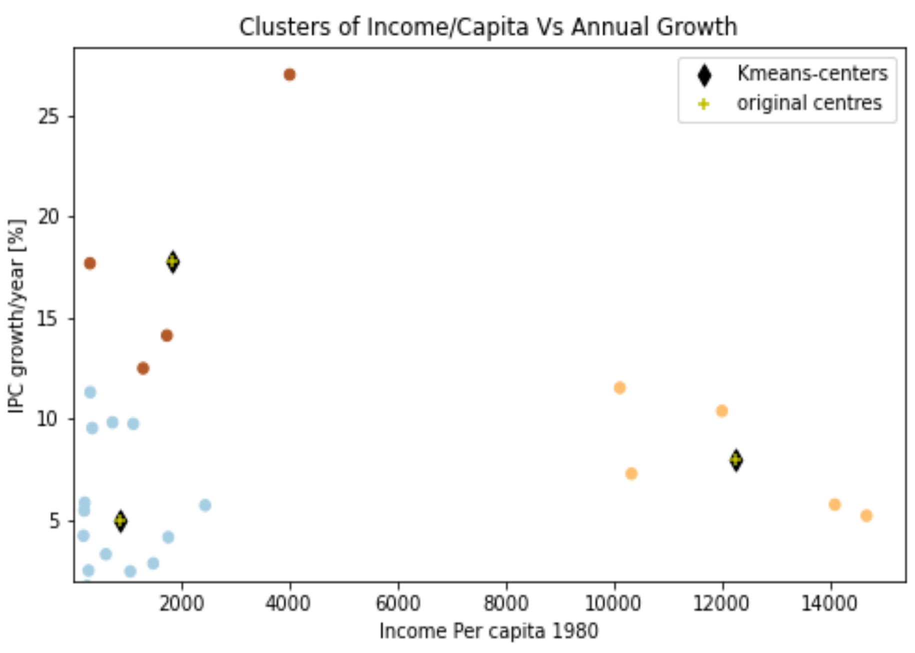
ABSTRACT

This poster investigates the economic factors driving variations in income per capita across countries . In this world, understanding why some countries have more money than others is really important for making good policies and sustainable development. This research looks at how different economic aspects work together to explain countries income difference

INTRODUCTION

In this study, the data used is from the World Bank, looking at 25 countries with different financial situations. This data includes details on five important indicators giving us a big picture of how things are going economically in these nations. By studying this data, we want to find patterns and learn more about the reasons behind differences in income per person worldwide

ECONOMIC CLUSTERS

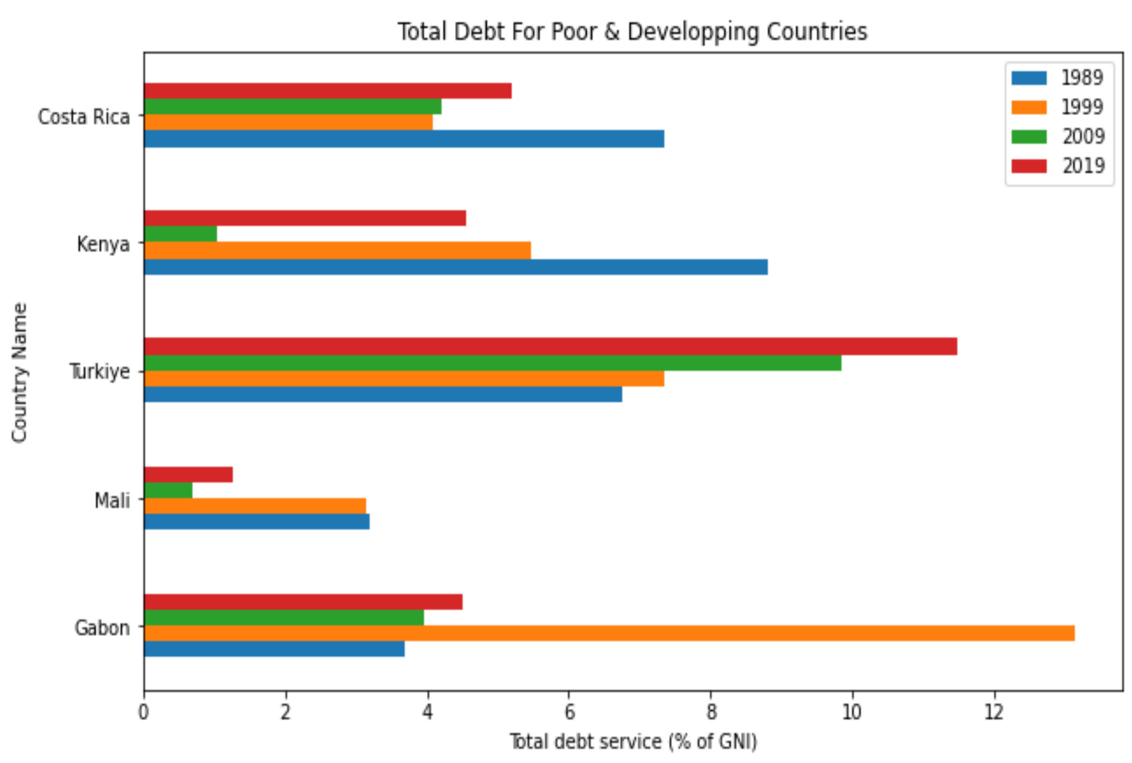


Analyzing income per capita in 1980 and its growth revealed three clusters:

- Low income and Low growth (poor)
- Low income and High growth (developing)
- High income and Low growth (developed)

INVESTIGATING DRIVERS OF ECONOMIC CLUSTERS

DEBT

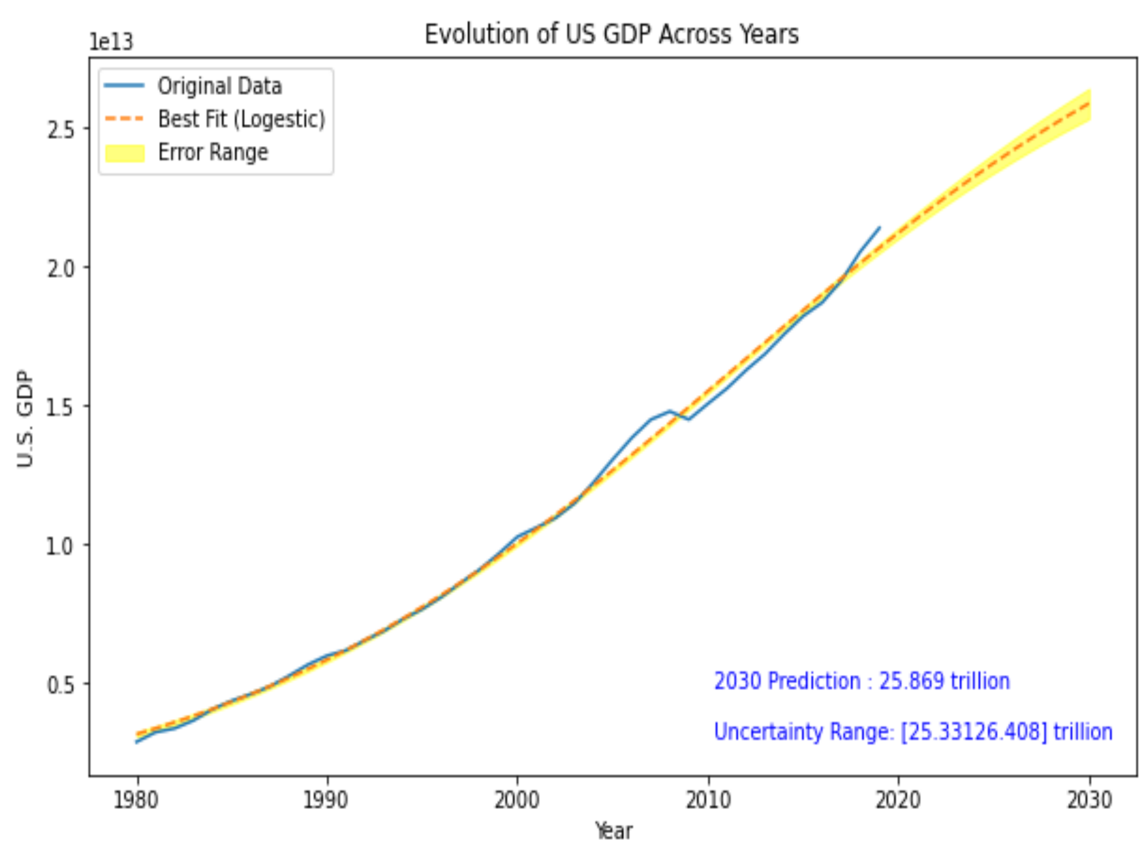


In debt analysis, nations like Mali and Costa Rica, relying on aid or deemed ineligible, exhibit lower debt service payments. Developing nation Kenya displays decreasing debt service, reflecting proactive management, while Turkey, also classified as developing, faces a growing financial burden with increasing debt service.

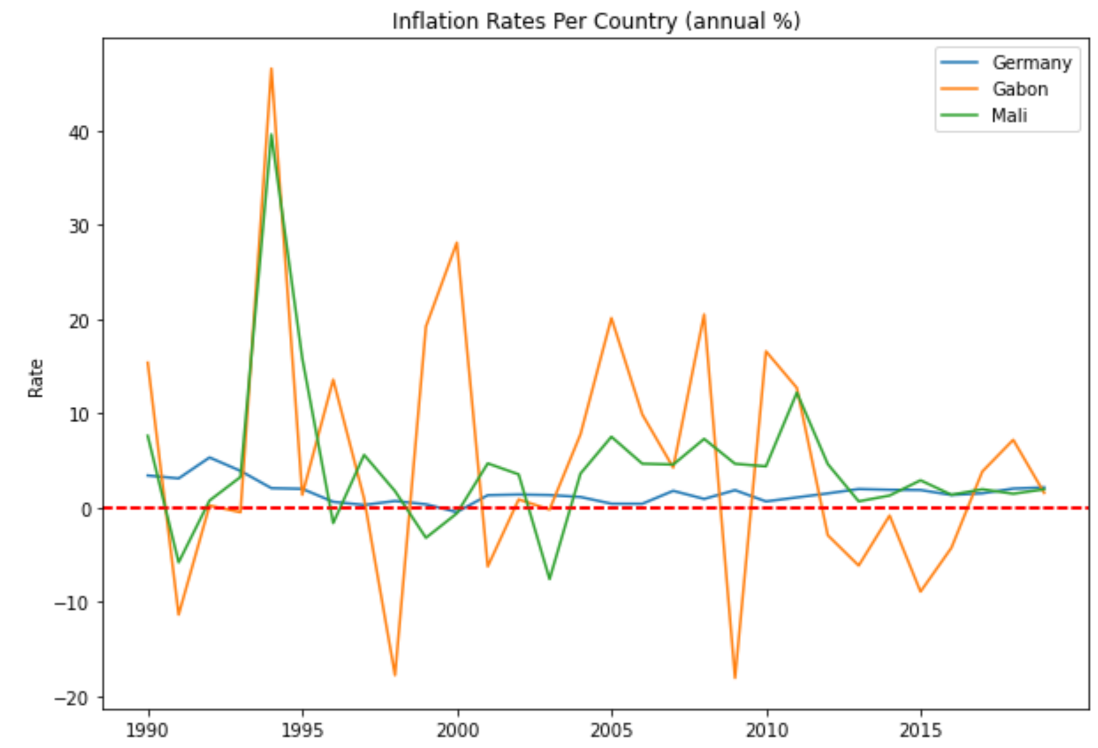
GDP

Analysis of U.S. GDP over time suggests a sustained upward trend, predicted to reach 25 trillion in 2030.

This aligns with broader trends observed in economically advanced nations, reflecting the resilience and growth potential of high-income countries compared to others.

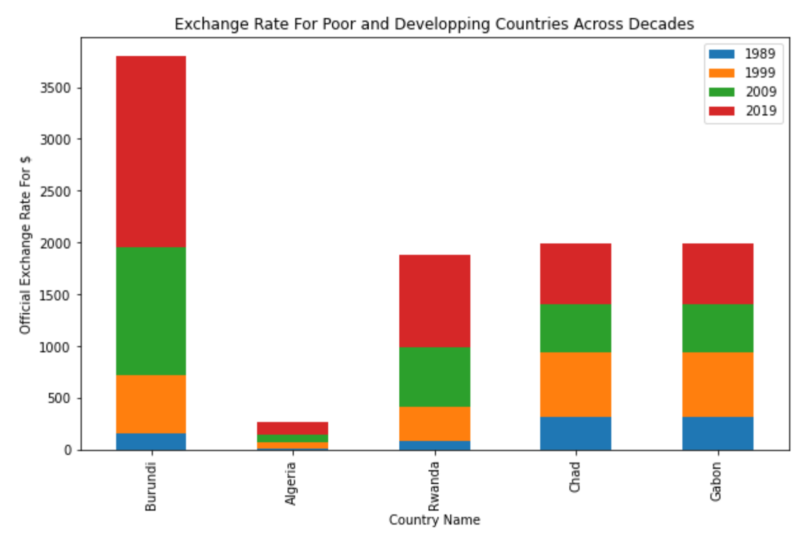


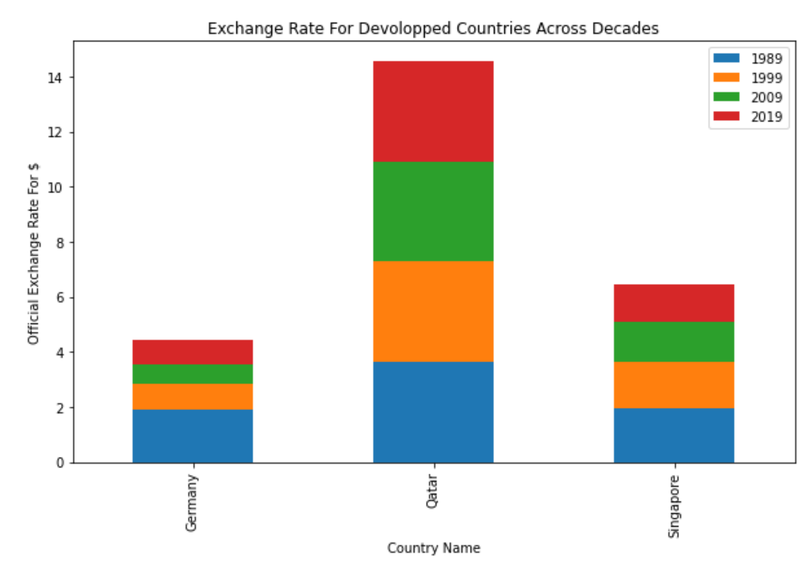
INFLATION



Analysing inflation dynamics, poor nations like Mali face stability challenges despite a low inflation probability. Developing countries like Gabon show significant fluctuations between inflation and deflation, indicating less stability. Developed nations like Germany exhibit low inflation and remarkable stability, showcasing robust economic systems.

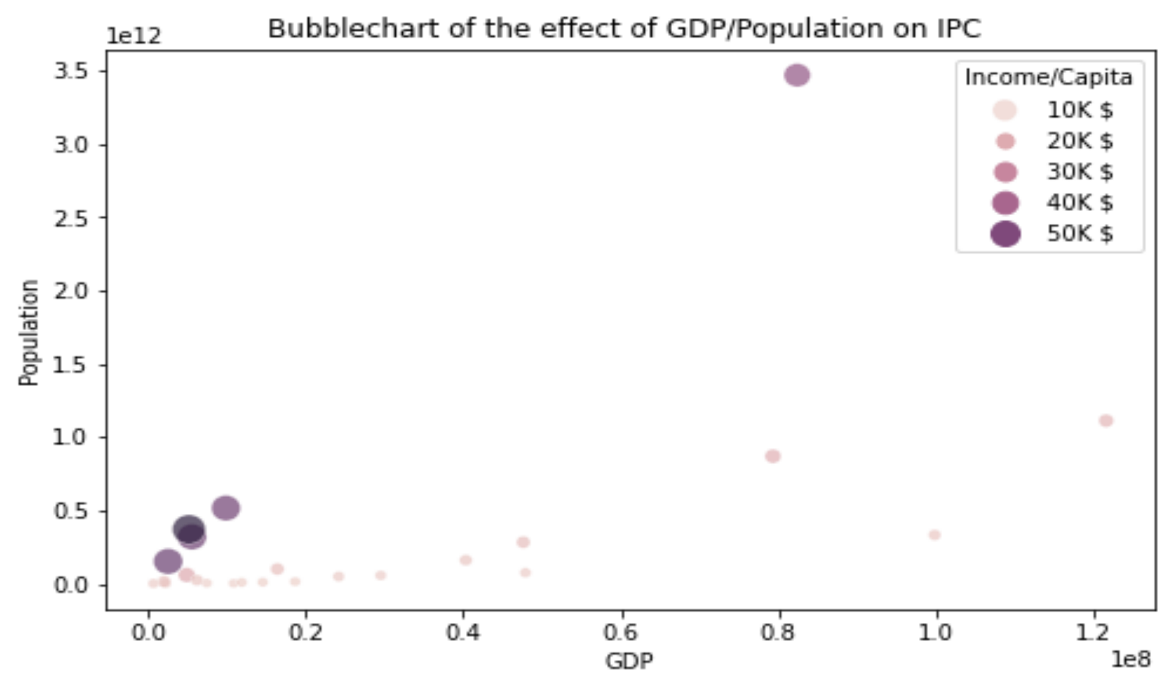
EXCHANGE RATE





Developed nations (Qatar, Germany) maintain stable exchange rates, reflecting strong economies. In contrast, developing countries (Algeria) face less but noticeable currency fluctuations compared to low-income nations (Brundi,Chad..) which often grapple with extreme currency devaluation, challenging economic stability and hindering international trade.

POPULATION



The GDP per capita to population bubble chart shows smaller-population nations with moderate GDPs have higher incomes per capita despite low economic activity. In contrast, large-population countries with moderate GDPs face challenges as their sheer size lowers per-person revenue, resulting in lower per capita income than smaller nations.

CONCLUSION

Analysing different indicator , the study concluded the following :

- Effective debt management influences income per capita disparities across nations.
- Developments in GDP have a significant impact on the differences in income per capita between countries.
- It is essential to put in place efficient measures to stabilise and regulate prices and exchange rate in the economy in order to lessen the impact of inflation on per capita income.
- Population dynamics makes a huge difference when talking about income per capita