

advanced economies	countries that have high levels of economic development, close ties and have liberal-democratic political/economic institutions
developing economies	countries with low living standards, low education levels, generally have agriculture based economies and poor political/economic institutions
economic development	a broad measure of welfare in a nation that includes indicators of health, education and environmental quality as well as material living standards
emerging economies	countries that are in the process of industrialisation and experiencing sustained high levels of economic growth
GNI per capita	found by dividing real GNI by the population of the country

gross national
income (GNI)

the sum of value added by all
resident producers in an
economy plus receipts of
primary income from foreign
sources

human development
index (HDI)

a measure of economic
development devised by the UN
that takes into account life
expectancy, education and GNI
per capita

natural resources

all the resources
provided by nature that
are used in the
production process

purchasing power
parity

a theory that states that exchange
rates should adjust to equalise the
price of identical goods and
services in different economies
throughout the world

real gross national
income

found by discounting
GNI figures for the
effects of inflation