**Key Issue 4: Why Do Countries Face Obstacles to Development?**

***Pages 328-340***

1. Complete the chart below with notes from the text on two different models of development.

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|  | APPROACHES TO ECONOMIC DEVELOPMENT | |
|  | Self-Sufficiency Model | International Trade Approach (Rostow’s Development Model) |
| Elements |  |  |
| Problems & Criticisms | See pg. 330 |  |

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| Self-Sufficiency | | International Trade (Rostow’s) |
| Case Studies | India: | Four Asian Dragons: |
| Arabian Peninsula States: |

1. Which of the two models for development has shown the most success?
2. Mark each of the following statements, regarding the WTO, as true or false. If false, correct the statement.
   1. \_\_\_\_\_\_ The WTO was formed by countries that conduct the majority of international trade.
   2. \_\_\_\_\_\_ The WTO seeks to increase import quotas and reduce import and export tariffs.
   3. \_\_\_\_\_\_ The WTO seeks to eliminate restrictions on the flow of money between countries.
   4. \_\_\_\_\_\_ Though it can hear accusations, the WTO cannot order remedies.
3. Why have each of the following groups been critical of the WTO?
   1. ***Progressives***:
   2. ***Conservatives***:
4. Define ***Foreign Direct Investment***:
5. What is a ***transnational corporation***:
6. In what regions are most transnational corporations headquartered?
7. Identify the **two** main sources, both controlled by MDCs, of loans for LDCs.
8. What is the **THEORY** behind using loans for infrastructure projects in LDCs?
9. In REALITY, what has usually happened when loans have been used for these infrastructure projects?
10. What are ***structural adjustment programs***?
11. Why is this unpopular with citizens in LDCs?
12. What is **Fair Trade**?
13. Explain some of the **producer standards** for Fair Trade.
14. Explain some of the **worker standards** for Fair Trade.
15. Define ***microfinance***:
16. Explain how progress has been made:
    1. Infant mortality rate
    2. Life expectancy
    3. GNI per capita

\*\*Be sure to read through the Millennium Development Goals\*\*