

- 2 Using Extract D, evaluate the effectiveness of GDP per capita in comparing living standards between countries.

(20)

living standards are features in which a country is based on having good or bad living standards due to factors such as the access to clean water or electricity.

GDP per capita is a measure of living standards in which it is the average income of the country per person, in which every individual's income, including those on the low paid section of the spectrum, to the highly paid individuals, are added, creating a total GDP for the country before the value is divided to represent the average person in the country, for example, an average individual in the UK would have an income of ~~£17,746~~ 41,746 US\$ according to GDP per capita. While it helps to illustrate the extent to which ^{some} countries may be ^{wealthy} average, more ~~rich~~ than others it is generally an ineffective way to compare ~~living~~ living standards between ~~countries~~ countries, especially due to the fact that it is generally not an accurate representation of the ~~country's~~ country's average income. This is due to the fact that there is usually a majority of individuals, such as people in the UK, who have a low annual incomes, but there is still the small minority of



~~the~~ individuals who ~~are~~ have very high incomes, thus skewing the data, ~~thus~~ thus it is generally not an effective method to compare ~~living~~ living standards. It is also ~~not~~ ineffective due to the fact that different countries have different standards of living largely due to the costs of goods and services, for example goods and services may cost more in the UK than it does in China, thus it is difficult to compare standards of living based on ~~an~~ GDP per capita alone.

Arguably GDP per capita is still effective in comparing living standards in a sense that it ~~allows for that~~ illustrates how the majority of the country would be on higher incomes, such as comparing the value of GDP per capita of the UK to the value for India.

Overall however, it is ~~not~~ largely ineffective by itself, and should be used as a comparative value in consideration for the fact that it is generally a skewed value. The use of the HDI and Gini ~~co~~ ~~not~~ coefficient along with ~~the~~ GDP per capita ~~may~~ may allow for a more accurate comparison of living standards, as other factors not just income, are taken into ~~an~~ account.



P 5 2 1 4 0 A 0 1 7 2 4