

ECONOMICS IN THE REAL WORLD

TEACHER RESOURCES

A-LEVEL



ADAM SMITH
INSTITUTE

The Kuznets Curve

Students should have prior knowledge of the Gini Coefficient and should have studied inequality and economic growth.

Suggested length: 1 hour 10 mins.

Learning Objectives

- Students should understand why the Kuznets curve looks at it does
- Students should be able to apply their knowledge of their Kuznets curve to assess different policies (broad) - gov goals, the potential impact?
- Students should be able to evaluate the validity and critique its applicability in different contexts.

Lesson plan

Begin the lesson by asking students to define inequality and economic development to ensure an initial understanding amongst students.

Starter activity: Separate the class into 5 groups and ask each group to use the case studies to identify a pattern between inequality and economic development.

Give them 5-7 minutes to do this. Once they have established a relationship and the class has discussed what they think the relationship is, give each group a further 5 minutes to draw a graph displaying the information (give them a graph layout, with the axis to help) and put their whiteboards up.

Draw the Kuznets curve on the whiteboard for the students. Have them compare their graphs to the Kuznets curve. Ask students questions such as why do you think the Kuznets curve looks different from your own graph? Could you describe why at a certain point the trend no longer continues?

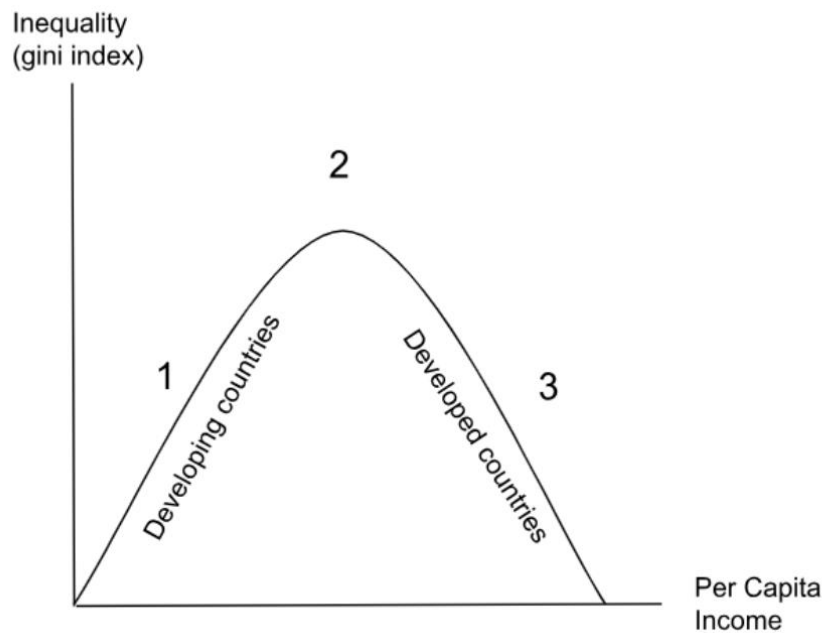
ECONOMICS IN THE REAL WORLD

TEACHER RESOURCES

A-LEVEL



ADAM SMITH
INSTITUTE



Now ask students to work in pairs with the person next to them and come up with small explanations for each section of the graph. To help them, split the graph that has been drawn on the board into three sections. Give them 10 minutes to come up with an answer.

Main activity: Once students have come up with explanations for the three sections of the graph, annotate the graph as a class, taking contributions from each pair. Once one pair makes a suggestion, ask other students if there is anything they want to add and so on until they are all happy with the explanation. If they miss anything important out, guide them to add it in, such as asking questions like, but what about this? Do you think this is important too?

Go on to assess potential criticisms of the Kuznets curve. Ask students if they can think of any and begin to form a list on the board, discussing each criticism with the class.

ECONOMICS IN THE REAL WORLD

TEACHER RESOURCES

A-LEVEL



ADAM SMITH
INSTITUTE

These can include but should not be exclusive to criticisms such as:

- Oversimplification (in reality, the relationship between inequality and economic development can be much more complicated - for this point as students what situations might lead to the curve not being perfectly followed. These could include globalisation, political corruption etc.)
- Accounting for income inequality solely and not other forms of inequality.
- Lack of evidence (some countries follow the curve but some don't - for this point ask students if they can think of examples for this, such as China where despite significant economic growth, income inequality has risen).

Discuss where this could be used in an essay, for example, the Kuznets curve could be used to show the benefits of aiming for economic growth and the evaluative point could be that the Kuznets curve is not always reliable. Show an example of where this has been done effectively.

Homework:

Write two paragraphs (a point and evaluation one) for a given essay question. This primary focus?