The Economies of the Caucasus

Use the information below about the economies of the Caucasus republics of Georgia, Armenia, and Azerbaijan to answer the questions that follow.

<table>
<thead>
<tr>
<th></th>
<th>Georgia</th>
<th>Armenia</th>
<th>Azerbaijan</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gross domestic product per capita</strong></td>
<td>$3,300</td>
<td>$4,500</td>
<td>$4,800</td>
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<tr>
<td><strong>Inflation rate</strong></td>
<td>8%</td>
<td>0.6%</td>
<td>9.6%</td>
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<tr>
<td><strong>Population living below poverty line</strong></td>
<td>54%</td>
<td>43%</td>
<td>49%</td>
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<tr>
<td><strong>Exported products</strong></td>
<td>scrap metal, machinery, chemicals, fuel re-exports, citrus fruits, tea, wine</td>
<td>diamonds, mineral products, jams, cheese, other foodstuffs, energy</td>
<td>oil and gas, machinery, tobacco, cotton, grapes, silk, other foodstuffs</td>
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<tr>
<td><strong>Main export partners</strong></td>
<td>U.S., 16.1%; Turkey, 15.8%; Turkmenistan, 11.8%; Russia, 10%; Armenia, 5.6%</td>
<td>Belgium, 12.8%; Israel, 12.5%; Germany, 16.4%; Russia, 10.2%; U.S., 5.3%; Netherlands, 15.3%; Iran, 4.4%; France, 5%</td>
<td>Italy, 24.9%; Czech Republic, 15.5%; Germany, 9.1%; Indonesia, 4.9%; Romania, 4.7%; Georgia, 4.5%; Russia, 4.1%; France, 11.9%</td>
</tr>
<tr>
<td><strong>Imported products</strong></td>
<td>fuels, machinery and parts, transport equipment, grain and other foods, pharmaceuticals</td>
<td>natural gas, petroleum, tobacco products, foodstuffs, diamonds</td>
<td>machinery and equipment, oil products, foodstuffs, metals, chemicals</td>
</tr>
<tr>
<td><strong>Main import partners</strong></td>
<td>Russia, 14.2%; Turkey, 11%; U.S., 10%; Azerbaijan, 8.1%; Ukraine, 7.3%; Germany, 6.6%; Italy, 4.3%</td>
<td>Russia, 12.3%; Belgium, 9.5%; Israel, 8.6%; U.S., 4.5%; Iran, 7.2%; UAE, 6.2%; Ukraine, 5.8%; Italy, 5.6%; Germany, 8.2%; Georgia, 4.4%</td>
<td>Russia, 18.7%; UK, 8.5%; Turkey, 7.7%; Germany, 12.3%; Ukraine, 5.7%; Netherlands, 5.3%; China, 5.2%; France, 4.1%</td>
</tr>
</tbody>
</table>


**Directions:** On a separate sheet of paper, answer these questions.

1. **Calculating** Suppose an item cost 150 manat in Azerbaijan one year ago. Based on the inflation rate shown in the table, how much will it cost today?

2. **Drawing Conclusions** What conclusion can you draw about most of Georgia's main trading partners?
The following activities are ways the basic lesson can be modified to accommodate students’ different learning styles.

**English Learners (EL)**
Ask students to identify which of the commodities imported and exported by the Caucasus republics are agricultural products. *citrus fruits, tea, wine, cheese, jams, cotton, tobacco, grapes, silk, foodstuffs*

**Verbal/Linguistic; Interpersonal**
Organize students into three teams—one for each of the Caucasus republics—to participate in an in-class debate about which country’s economic prospects are the brightest. Students should use library or Internet resources to research information for the debate. They should investigate factors such as main obstacles to economic growth, existing natural resources, infrastructure, political stability, education level of citizens, and so on. Students should gather data about all of the Caucasus republics to anticipate what their opponents say and have rebuttal arguments ready.

**Visual/Spatial**
Ask students to examine maps of the Caucasus region before speculating on how each Caucasus republic might—or might not—be geographically positioned to become an important center for regional trade or tourism.

**Logical/Mathematical; Intrapersonal**
Ask students to research the major economic activities of the three Caucasus republics, classifying the commodities each country produces into a reasonable category, such as agriculture, heavy industry, services.

**Auditory/Musical**
Several economic terms and concepts—such as *gross domestic product per capita, inflation, poverty, export, import*—are presented in the table. Ask students to create chants or raps that reinforce their meanings. Students can share their creations with the class.

**Advanced Learners**
The three Caucasus republics are former republics of the Soviet Union. All are attempting to transition from a command to a market economy. Ask students to write a paper (1) explaining the main differences between these economic systems, and (2) describing one major barrier each Caucasus republic has needed to overcome in its attempt to move from a command to a market economy.

**Visual/Spatial**
Have students create two compound bar graphs—one for import partners and one for export partners—to illustrate the trade activities for the three Caucasus republics. A partially completed sample import chart is shown below.

**Below Grade Level**
Students can represent many ideas in a concise manner by using the One-Sentence Summary strategy. Ask students to examine the table closely, picking out key qualities of the economies of the Caucasus republics. Then ask them to write a one-sentence summary of each country’s economy.

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![Imports Chart](https://example.com/imports_chart.png)

**Imports**

- Georgia
- Armenia
- Azerbaijan

**Percentage of Imports**

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