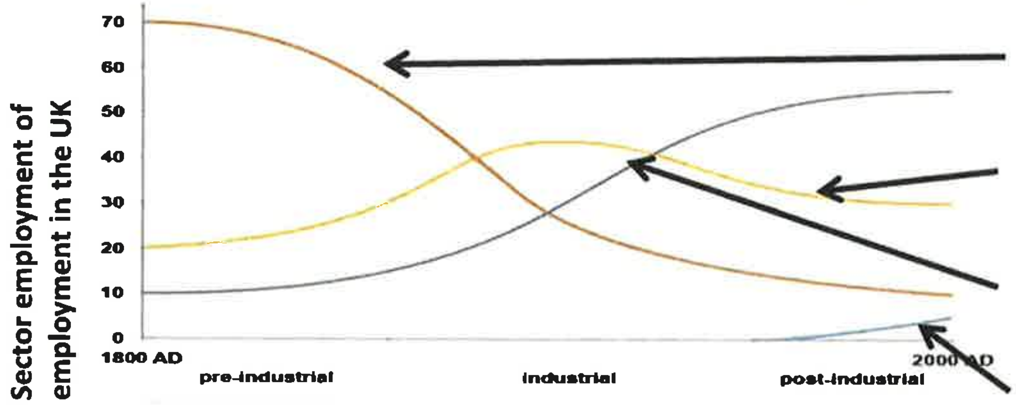
Paper 2: The challenge in the human environments: Section B: Changing Economic World

Major changes in the economy of the UK and the effects on employment patterns and regional growth

How has the economy the UK economy changed?

Deindustrialisation - Less jobs in primary and secondary industries such as mining and steel making.
Globalisation – It is cheaper to import certain goods from abroad.
Mechanisation – Less workers are needed in primary and secondary industries as machines can now do these jobs.



Primary Industries – These collect raw materials such as; farming, logging, oil rigging, mining, quarrying etc

Secondary Industries – These manufacture goods into products such as; car manufacturers, food processing plants, toy assembly plants, builders etc

Tertiary Industries – These provide a service such as; teaching, accounting, health care, sales assistants etc

Quaternary – Knowledge and Information services

	Pattern	Why
Primary	High Pre industrial (pre 1800) Lowers during Industrial and post industrial	Agriculture done by hand, Less jobs in farming as machine do work Machines and cheaper to import goods
Secondary	Increases during Industrial (post 1800) Lower during post industrial (post 1840)	Machines do more work again **De-industrialisation** and the decline of the UK industrial base - fewer jobs in primary and secondary industries such as mining and steel making. And manufacturing. These industries were once a primary source of employment and income for the UK – now they have moved abroad. Government Policy to privatise trains, steel, post Globalisation – world more connected cheaper to manufacture abroad – think cost of making t-shirt in UK compared to India
Tertiary	Increases during Industrial and post industrial.	People have more disposable income, so demand banks, sales, retail> this creates jobs. 80% now work in services: retail, hairdressing, IT, Finance, Research
Quaternary	Increases post industrial	Demand for advances in medical and technology

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Global variations in economic development and quality of life. Different ways of classifying parts of the world according to their level of economic development and quality of life.

- **Development** is positive change of a country improving.
- **Development** is the progress of economic growth and or the progress of health and education.
- When a country develops it basically gets better for the people living there – their **quality of life** (health, wealth and education) improve and their **standard of living** raises.
- The level of development is different in different countries. For example France is more developed than Zambia. The difference in development between more and less developed countries is called the **global development gap.**

Development Indicators

Social Indicators

Life expectancy - The average number of years a person is expected to live in a particular place.

Infant mortality rate - The number of children who die before the age of one.

Literacy rate - Percentage of people who can read and write.

Economic Indicators

Gross Domestic Product (GDP) - the total value of all goods and services produced in a country

Gross National Product (GNP) - GDP plus earnings from foreign investment

GNP per capita - GNP divided by the total population

The **United Nations** now uses a **composite indicator** called **HDI (Human Development Index).** The HDI consists of one figure per country between 0 and 1 (the higher the more developed the country is) The calculation is made up of four social and economic measures, such as:

GNP per capita, number of years schooling, literacy rates and life expectancy

Base on income: HIC, NEE and LIC

Newly Emerging Countries (NEEs): These places are getting richer as they move from economies based on primary products (agriculture) to secondary (manufacturing) . Quality of life is getting better. The **BRIC** economies are: **Brazil, Russia, India and China.**

Higher income countries (HICs): In these countries the GNI per head is high, most people have a very good quality of life. **For example: UK, USA, Canada, France**

Lower Income Countries (LICs) These are the poorest countries, here the GNI per head is very low and most people have a very low quality of life. **For example: Afghanistan, Somalia, Uganda and Nepal**

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Causes of uneven development: physical, economic and historical

Physical factors affecting development

- <u>Poor climate</u> – If it is too hot or too cold > **difficult to grow food (food production is low) > causing malnutrition** as people will be hungry > This causes a low quality of life, but stops people attending school or low output at work > less taxes > cause the government to invest and develop further
- <u>Poor farming land</u> – too steep, or unfertile ground > people earn less money > less taxes > cause the government to invest and develop further
- <u>Lack of clean water</u> – normally due to drought > This means that children and women spend time **searching for water** > less time to work or attend school > less taxes > cause the government to invest and develop further
- <u>Natural hazards</u> – such as tropical storms or earthquakes or flooding (Bangladesh has had lots). These not only kill people, but due to the damage the government must spend huge sums rebuilding. This money could have been spent on improving existing infrastructure or education and health care if the hazard had not happened > slowing development down
- <u>Landlocked</u> - Being landlocked is an environmental factor. If a country is landlocked it does not have access to the sea, and so it is difficult or expensive to export. This means that the government earns less money and so there is less money for education and health care keeping the country undeveloped

Economic factors cause uneven development

- <u>Debt</u> – Debt is an economic factor. If a country has international debt > it would have to spend the money it earns on re paying its debt > this would mean the country has less money to spend on health care and education and development would be low.
- <u>An economy based on selling primary products</u> – Exporting raw materials is an economic factors that affects development because it is about trade > If you export raw materials > you earn very little money, because the value of raw materials is low (they only become valuable once manufactured) and the prices fluctuate depending on supply or demand. This means the country has less money to invest in education or health and so development does not take place. Countries that export manufactured goods, tend to be more developed. This is because you usually make a decent profit .
- Social factor may include - <u>A corrupt governments</u>

Historical factors which cause unequal development

- <u>Colonisation</u> – Countries that were colonised (ruled by another country). European countries – colonised much of Africa in the 19th Century (which means they were basically in control of them). The foreign countries controlled the economies, removed the raw materials and slaves, and sold back expensive manufactured goods. Once they became independent, they were given huge loans and left many countries dependant on Europe and are often at a lower level of development when they gain independence than they would be if they had not been colonised.
- <u>Conflict</u> – Civil war is a political factor, if a country has been in civil war, it means that they have had to fund the war and the weapons needed to fight. They would also have to pay for rebuilding of the country after the war. This means that education is disrupted and because so much money is going to fund the war there is less to go into education and health care, this means quality of life is not improved and so development remains low.

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An overview of the strategies used to reduce the development gap: investment, industrial development and tourism, aid, intermediate technology, fairtrade, debt relief, microfinance loans.

Industrial development

- In countries with a very low level of development, agriculture makes up a large portion of the economy.
- Developing **secondary industries and promoting Transnational Corporations to invest,** moves countries away from agriculture. This means that a higher GNI is reached, leading to more money to develop.
- Problems: This can **increase many types of pollution**, industrial waste can end up in rivers and kill fish, as some Nike factories in Vietnam have caused. Also air pollution can increase, leading to breathing disorders locally.

Using intermediate technology

- Includes tools, machines and systems which improve quality of life, but are **simple and affordable** to maintain.
- For example, LED lightbulbs being introduced to Nepal, allows locals to work and children to study at home. – this closes the development gap. This results in a GNI per capita and money to develop. The other lighting options are polluting and dangerous kerosene lamps or wood fires.
- Problems: It may **not reach all communities** within a country and this can lead to unequal development within countries as some areas economies develop faster than others.

Investment:

- Foreign Direct Investment (FDI) is when companies buy property and infrastructure another to develop their own company or project. I.e BMW locating factories in another country. This has good features such as improving the expertise and skills of local people who work in factories. This has good features such as improving the expertise and skills of local people who work in the factories, increasing trade for the country, offering new job opportunities to people, transferring technology and ideas from rich to poorer nations and increasing taxes to the host country.
- Problems: Companies and owners could **'pull out'** of the country at any time, this can cause unemployment or financial difficulty trying to maintain the infrastructure in the area. Also, much of the **profits return to the country who invested the FDI**, leaving less money in the local economy. Also, misuse of the environment, local workers in poorer countries getting poor wages or working in poor conditions, and also large foreign firms squashing the development of local companies.

Tourism:

- Tourism can lead to an **increased income** for locals and the government, as tourist have huge amounts of disposable income. I.e countries like Kenya.
- Problems: Most **money from tourism goes to the tour operators** in HIC's meaning the locals do not see all of the benefits and still live in poverty. Local values and traditions can be ignored, resulting in cultures being lost in some countries. Also it can put pressures on water and waste disposal.