

KI : There are global variations in economic development and quality of life

GCSE The Changing Economic World Knowledge Organiser

Strategy for reducing the development gap

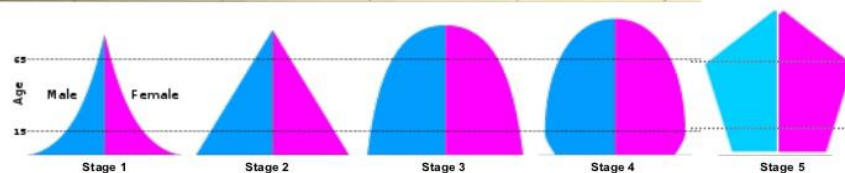
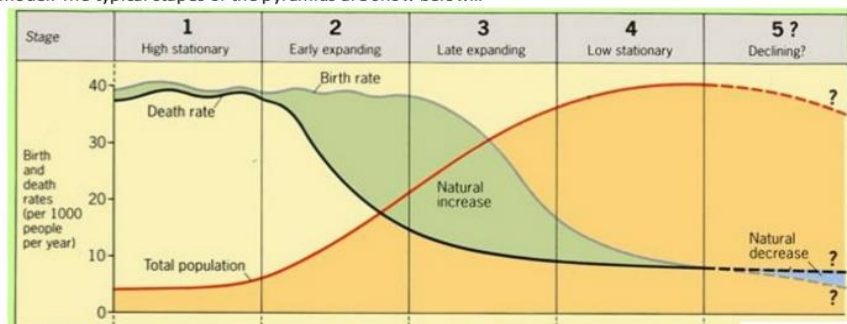
Key terms	Definitions
Birth rate	Number of births in a year per 1000 of the population
Death rate	Number of deaths in a year per 1000 of the population
Demographic Transition Model	A model showing how populations change over time in terms of their birth rates, death rates and total population size
Development	The progress of a country in terms of economic growth, technology and welfare
Gross National Income (GNI)	Gross national income divided by the size of the population
Human Development Index (HDI)	Development measure using GDP per capita, life expectancy and adult literacy. Given as an index figure
Infant mortality	Average number of deaths of infants under 1 year of age per 1000 live births per year
Life expectancy	Average number of years a person might be expected to live
Literacy rate	Percentage of people who have basic reading or writing skills
Access to safe water	Percentage of people with access to clean water
People per doctor	Number of people per doctor

Indicator	Limitations
LICs	Not higher death rate as have younger population
Birth rate	Useful except where government policies
Infant Mortality Rate	Decreasing in HICs. Increasing in LICs. Close link to wealth, access to services. Data can be inaccurate
Life Expectancy	Rising in HICs though may decrease due to obesity
Gross National Income	Blunt tool. No measure of how much \$1 will buy. Hides variations
HDI	Most useful indicator. Economic and social element. Data can be unreliable. Does not account for subsistence economy, corrupt governments etc.
Causes of uneven development	
Physical	Climate Poor farming land Extreme weather Few raw materials Lack of safe water Natural hazards
Economic	Poor trade links Debt Lack of education Primary economy Corrupt government Poor health and water quality
Historical	Colonialisation Conflict
Consequences of uneven development	
Disparities in wealth and health	HICs – higher income, better health care, higher life expectancy, lower IMR NEE – wealth not evenly distributed LICs depend on HICs for aid. Borrow from world bank causing debt North America 35% of global wealth, Africa 1%
International migration	Migration to countries with higher development e.g. Mexico to USA Depends on push and pull factors. Money sent home

Investment	Governments, organisations of companies invest in big projects. Provides employment and income leading to development. TNCs from NEEs and HICs inject FDI leading to multiplier effect
Industrial development and tourism	HEP helps economic growth in Africa and Asia. Brings employment, income and opportunities. Investment occurs in housing, education and infrastructure Move from primary products as issues with overproduction and import taxes. Manufacturing goods lead to more profit Tourism leads to investment and more income. Vulnerable to recession.
Aid	Gift (not repaid). Can be funding for development e.g. infrastructure which boosts economy and leads to an increase in quality of life. From countries / IMF / World Bank UK spends 0.7% GDP on aid
Intermediate technology	Comines sophisticated ideas with cheap readily available materials. Local knowledge and tools used eg. Afridev handpump, solar ovens
Fair Trade	Prevents exploitation with realistic prices and better working conditions. Increases standard of living, health care and education.
Debt relief	Writing off debts / making repayments lower and terms longer IMF / World Bank Highly Indebted Poor Countries Initiative helped 41 countries (mainly in Africa) control their finances, show no government corruption and agree to spend saved money on education, healthcare and decreasing poverty. Tanzania now has free education and Uganda has safe water for 2 million people African countries are over US\$300 billion in debt
Microfinance loans	Provided by investors in HICs to entrepreneurs in NEEs and LICs. Many borrowers are women e.g. Glameen Bank in Bangladesh. Vital cash to escape cycle of poverty
EG of how tourism in a LIC can reduce the development gap	Case Study : Tunisia
Reasons for tourism	Climate History and Culture Cheap package holiday Links with Europe Landscape
How has it helped?	Multiplier effects helped souks and farmers. Jobs and income Now one of wealthiest African countries with increasing life expectancy, literacy rates, jobs and gender equality
Concerns	Pollution of the environment Terrorism in 2015 Leakage of profits

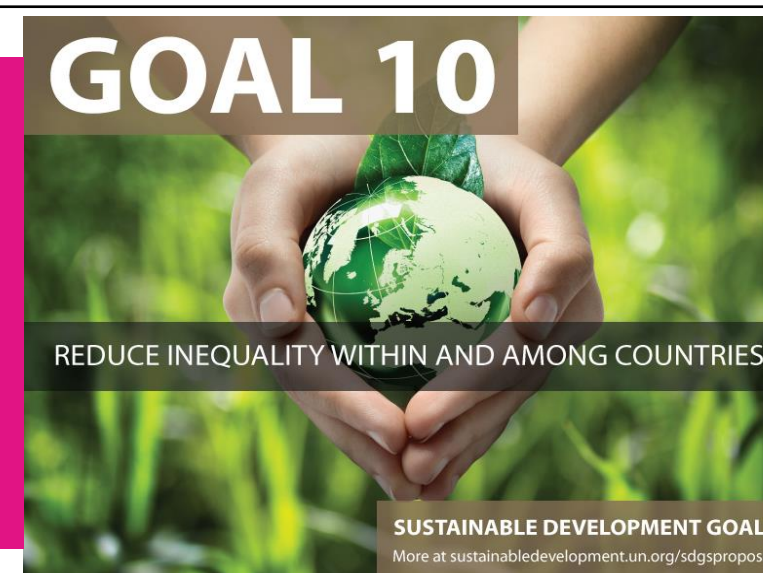
Population Structures & the DTM

The population structures change as countries develop and progress through the demographic transition model. The typical stages of the pyramids are show below...



KI : Various strategies exist for reducing the global development gap

Key terms	Definitions
Development gap	Difference in standards of living and wellbeing between LICs and HICs
Fair trade	When producers in LICs are given a better price for the goods they produce
Intermediate technology	Simple, easily learned and maintained technology used in a range of economic activities serving local needs in LICs
Microfinance loans	Very small loans given to people in LICs to help start a small business



KI : Some LICS and NEEs are experiencing rapid economic development which leads to significant social, environmental and cultural change

Key terms	Definitions
Industrial structure	Relative proportion of the workforce in different sectors of the economy
International aid	Money, goods and services given by the government of one country or a multilateral institution to help the quality of life and economy of another country
Transnational Corporations (TNCs)	A company that has operations in more than one country

NIGERIA CASE STUDY



Location and Importance of the country regionally and globally	<ul style="list-style-type: none"> West Africa, North of the Equator Largest population of Africa – 184 million NEE – 3rd largest manufacturing economy in Africa Largest economy in Africa By 2020 should be one of the top economies Youthful educated population – skilled workforce for manufacturing and services
Wider political, social, cultural and environmental context	<ul style="list-style-type: none"> 1960 Gained independence from the UK 1967 – 1970 Civil war followed by 28 years of military government. 1998 - Now stable democratic government 00 ethnic groups – South is Christian (Igbo and Yuroba), North is Muslim (Hausa). Some ethnic boundaries broken by rapid urbanisation South is Tropical Rainforest (Cocoa and oil palm crops) and North is Savanna (Peanuts grown) Issues in the north with extremist group Boko Haram – want Sharia law and own government. 17,000 dead.
Changing industrial structure. Balance between different sectors of the economy	<ul style="list-style-type: none"> 60% live on less than US\$1.25 a day. Growing inequality GDP 2006 – US\$110 billion, GDP 2015 US\$560 billion Money earned from Services 52%, Manufacturing 7%, Oil and gas 14%, Agriculture 22%, Other 5% Nollywood – 3rd largest film industry in the world 70% employed in agriculture Rapid increase in telecommunications and retail Manufacturing increasing – processed food, leather, textiles, soap, detergents
How manufacturing can stimulate economic development	<ul style="list-style-type: none"> Oil found in 1950s. 14% GDP, 95% export earnings Produces 2.7% of world's oil which is higher quality than oil from the Middle East Overdependence on oil -- prices fell in 2015 Oil processing led to chemical by products leading to growth in chemical industries such as soaps, detergents and plastics Dangote Cement (Nigerian company) has expanded into 13 countries in Africa All led to increased standard of living, FDI, jobs, taxes, multiplier effect, manufactured goods. Less imports needed and Nigerian TNCs have more influence in the region
Advantages and Disadvantages of TNCs	<ul style="list-style-type: none"> Advantages : investment, jobs, expertise / skills, international links, new technology, multiplier effects, export revenues Disadvantages : leakage of profits, lower wage levels, environmental damage, can withdraw investment, exert political influences, poor working conditions, management jobs go to foreigners

GCSE The Changing Economic World Case Studies Newly Emerging Economy - Nigeria

Role of TNCs in relation to industrial development	<ul style="list-style-type: none"> Niger delta – oil. Royal Dutch Shell, Exxon Mobil, Chevron, Total and Agip Platforms and pipelines installed. Oil shipped to Europe and USA to be refined. Most profit leaked Nigerian National Petroleum Corporation – joint ventures with TNCs 40 TNCs – mostly UK, Europe and USA Damage to wetland and coastal ecosystems which people rely on
TNC Examples	<p>UNILEVER</p> <ul style="list-style-type: none"> Anglo Dutch company – food, drinks and home items Since 1923 been making palm oil based soap and employs 1500 people High standards of employment and environmental stewardship Promoted improvements in health care, education and water supply <p>SHELL OIL</p> <ul style="list-style-type: none"> Anglo Dutch company. Huge investment 65000 directly employed and 250,000 indirectly employed 91% of contracts with Nigerian companies Issues – oil spills, oil flares (toxic fumes), militant groups disrupting supplies, oil theft and sabotage
Changing political and trading relationships within the wider world	<ul style="list-style-type: none"> Part of OPEC, African Union, UN, OCOWAS(Economic Community of West African States) and CEN-SAD (Community of Sahel Saharan States) Trading relationship with UK for over 300 years. Exports : oil, gas, rubber, cocoa and cotton Imports : machinery, chemicals, transport equipment, phones, rice and wheat Main imports from China and there is growing Chinese investment in Nigeria China Railway Construction Corporation building US\$12 billion 1200km railway China invested US\$10 billion in exploration and drilling a new oil field South Africa investing in business and banking American companies investing and operating here too – GE, Walmart, Microsoft








TNCs in Nigeria

Local Successes




Nigeria's Role in the wider world

African Union






International Aid – types and impacts on the receiving country	<ul style="list-style-type: none"> ODA – Official Development Assistance – can be multilateral (World Bank / IMF) or bilateral (from one country) Voluntary aid – can be short term emergency relief or long term development assistance 2009 – 2013 : 60 million mosquito nets distributed UK gives US\$300 million year of aid Receives 4% of aid given to Africa Most successful projects are community based Problems include government corruption, government diverting money, donors have political influence, promoting commercial self interest
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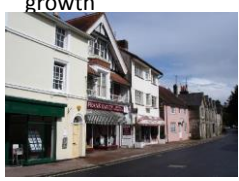

Environmental impacts on economic development	<ul style="list-style-type: none"> Oil pollution Air pollution Water pollution Loss of habitats Destruction of forests Chemical waste Desertification Traffic congestions Squatter settlements Waste disposal
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Effects of economic development on quality of life for the population	<ul style="list-style-type: none"> Rated 152/187 countries in terms of HDI. Improving and is increasing quickly New jobs mean more income and increased quality of life Large differences between north and south; rural and urban; educated and uneducated Lack of access to safe water, sanitation and reliable electricity supply Oil wealth not used effectively. Overdependence on oil may become an issue as oil prices fall and new technology such as fracking develop Key challenges include continuing stable government, pollution of the Niger delta, tsetse fly affecting commercial livestock, desertification, religious conflict between north and south, Boko Harem extremist group
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KI : Major changes in the economy of the UK have affected, and will continue to affect, employment patterns and regional growth

Key terms	Definitions
Commonwealth	Voluntary association of 53 independent and equal sovereign states
Deindustrialisation	Decline of a country's traditional manufacturing industry
European Union	International organisation of 28 European countries formed to reduce trade barriers and increase cooperation among its members
Globalisation	The process which has created a more connected world
Information technologies	Computer, internet, mobile phone and satellite technologies
North south divide	Economic and cultural differences between Southern and Northern England
Post industrial economy	Economy of many HICs where most employment is in service industries
Science and business parks	Business parks are purpose built areas of offices and warehouses. Science parks are near universities and high tech industry is established here.
Service industries	Economic industries that provide a service (tertiary industries)
Trade	The buying and selling of goods and services between countries
Causes of economic change	
Deindustrialisation and decline of traditional industrial base	<ul style="list-style-type: none"> Less manufacturing, more services and quaternary industries Machines and technology replaced people Lack of investment, high labour costs and outdated machinery means UK goods expensive 1800 : Primary 75%, Secondary 15% and Tertiary 10% Now : Primary 2%, Secondary 16%, Tertiary 73%, Quaternary 9%
Globalisation	<ul style="list-style-type: none"> Made possible by improvements in transport, communications and internet 60,000 TNCs worldwide UK characteristics : economic growth, cheaper goods and services, foreign investment, high value production, migration, less manufacturing, outsources jobs
Government policies	<ul style="list-style-type: none"> 1945 – 1979 : state run industries propped up by government money 1979 – 2010 : Privatisation and redevelopment of old areas 2010 - : rebalancing of economy – improvement of infrastructure, investment in manufacturing, easier access to finance and encouraging global firms to locate in the UK
Movement to a post industrial economy	
Development of ICT	<ul style="list-style-type: none"> IT manufacture of hardware and design 1.3 million jobs One of world's leading digital economies
Finance	<ul style="list-style-type: none"> Banking, insurance, securities, dealing and finance 10% GDP, 2 million jobs, 29% exports 50.5% based in London
Research	<ul style="list-style-type: none"> Quaternary sector 60,000 jobs and £3 billion income Research in universities, private companies and government bodies
Science and business parks	<ul style="list-style-type: none"> Science park : Group of scientific and knowledge based businesses based on one site e.g. Cambridge Science Park More than 100 in the UK providing 75,000 jobs Business park : Cluster of businesses on the edge of towns e.g. M4 corridor

GCSE The Changing Economic World Case Studies UK – Changing Economy

Impacts of industry on the physical environment	<ul style="list-style-type: none"> Negative visual impact Air and water pollution Soil degradation Landfill Impacts of roads
EG of how modern industry can be more environmentally sustainable	CAR INDUSTRY <ul style="list-style-type: none"> Nissan – less electricity and water used. More electric and hybrid cars build, less CO² emissions, 7% of energy used is from windfarms Jaguar – maximise natural cooling and natural light to decrease energy use; solar panels produce 30% energy used; most waste recycled
	
Social and economic changes in the rural landscape in	
1 area of population growth 	South East England – Hurstpierpoint , Sussex <ul style="list-style-type: none"> Population maintained Newcomers likely to start businesses Keeps rural services open Older people retire here increasing the average age House prices increase Outmigration of locals changes culture
1 area of population 	Capel Dewi – Mid Wales <ul style="list-style-type: none"> Decreasing population leaving the eldest Shops and services shut Convenience shop opened by volunteers
Improvements and new developments in transport	
Road	<ul style="list-style-type: none"> 2014 - £15 billion road investment strategy – 100 new roads by 2020, 1300 miles added to roads and extra lanes on motorways, Smart motorways A303 Superhighway - £2 billion road widening converting road to dual carriageway
Rail	<ul style="list-style-type: none"> Electrification of Trans Pennine Express and Midland Mainline HS2 - £50 billion : London to Sheffield, Leeds and Manchester London's crossrail 2018 - £14.8 billion, 32km Channel Tunnel – 346 million people in 20 years, 1.4 million trucks, 2.5 million cars, 58, 500 people a day
Airport capacity	<ul style="list-style-type: none"> 3.6% GDP 300,000 jobs 750,000 international and 420,000 domestic flights Recommended 3rd runway for Heathrow
Port capacity	<ul style="list-style-type: none"> 2014 – Biggest were Grimsby, Tilbury, Milford Haven and Southampton. Investing : Belfast, Avonmouth, Felixstowe, Harwich 37000 jobs. More through multiplier effect 2013 London Gateway opened for bigger ships closer to London

The North South Divide

North v South 	Cultural and regional differences <ul style="list-style-type: none"> North : deindustrialisation, more unemployment, decreasing / slow growing population. Falling house prices. Lower wages, poorer health, poorer education South : higher standard of living, better quality of life, more income, more congestion, increasing house prices 
Strategies used to decrease regional differences	<ul style="list-style-type: none"> Deindustrialisation in the north meant financial support from the government Foreign investment encouraged in north e.g. Nissan, Mitsubishi EU regional funding to decrease regional disparities In 2011 24 Enterprise zones were established to encourage new businesses with decreasing rates, superfast broadband and simple planning regulations 2015 : Northern Powerhouse strategy aimed to develop economies of major cities in North. Tourism, food and energy to be developed in rural areas Power given to individual cities on how to raise and spend money

Place of the UK in the wider world

Trade	<ul style="list-style-type: none"> Most with EU. USA important too. Increasing trade with China £250 billion of exports per year
Culture	<ul style="list-style-type: none"> TV and media exports - £1.28 billion (USA 47%, Australia and New Zealand, China 40%) Migrants bought own culture – food, music, fashion, films, festivals
Transport	<ul style="list-style-type: none"> Heathrow one of world's busiest airports Channel Tunnel and ferries to Europe Southampton – cruise hub
Electronic communication	<ul style="list-style-type: none"> Focus on submarine cables – 99% internet traffic uses these Vital part of global economy Arctic Fibre project 2016 : UK to Tokyo – 15000km 90% UK population use internet – emails / social media



Economic and political links

EU	<ul style="list-style-type: none"> Migration Financial support for farmers Single market (trade) European Structural and Investment funds for disadvantaged regions Laws and controls Pay more to support poorer countries
Commonwealth	<ul style="list-style-type: none"> 53 countries – most former colonies 2.2 billion people – 60% less than 30 years old Advice on human rights, social and economic development and youth empowerment Trading, cultural and sporting links Many UK residents live in Commonwealth countries and vice versa Most use English