

There are global variations in economic development and quality of life.

- 5.1 Different economic and social measures of development
- 5.2 Different ways of classifying parts of the world according to their level of economic development and quality of life.
- 5.3 Causes of uneven development.
- 5.4 Consequences of uneven development.
- 5.5 Link between stages of the Demographic Transition Model and the level of development.

Various strategies exist for reducing the global development gap.

- 5.6 Managing disparities in development and quality of life.
- 5.7 An **example** of how the growth of tourism in Kenya (a recent LIC becoming a NEE) helps to reduce the development gap.

A case study of NIGERIA (a LICs or NEEs) which is experiencing rapid economic development which leads to significant social and cultural change

- 5.8 The location and importance of Nigeria
- 5.9 The changing industrial structure of Nigeria
- 5.10 The role of transnational corporations (TNCs) in relation to industrial development.
- 5.11 The impact of aid in Nigeria
- 5.12 How economic development is improving the quality of life for the population.

Major changes in the economy of the UK have affected and will continue to affect employment patterns and regional growth. Economic futures in the UK:

- 5.13 Causes of economic change in the UK
- 5.14 Impacts of industry on the physical environment.
- 5.15 An **example** of how modern industrial development can be more environmentally sustainable
- 5.16 The rural economy of the UK
- 5.17 improvements and new developments in road and rail infrastructure, port and airport capacity
- 5.18 The North–South divide. Strategies used in an attempt to resolve regional differences
- 5.19 The place of the UK in the wider world. Links through trade, culture, transport, and electronic communication. Economic and political links: the European Union (EU) and Commonwealth.

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5.1 Different economic and social measures of development

Development relates to “the progress of a country in terms of economic growth, the use of technology and human welfare.”

Development levels vary around the world and we can study this on a local scale, and consider with our own community how different groups of people on one estate might be wealthier and have a better quality of life than others. We could look at development a national scale, and consider how health and wealth change across the British Isles ([life expectancy is lower in Scotland than it is in England for example](#)). The last scale we can look at is globally, because there are huge differences between the quality of life between countries and continents. There are **3 very broad groups of countries**;

- **Low income country (LIC)** – countries that have a GNI per capita of \$1,045 according to the World Bank. These are poorer countries that have mainly primary jobs such as farming and mining. Countries include Bangladesh and Mali.
- **High income country (HIC)** - a country that has a GNI per capita of \$12,746 or above according to the World Bank. These are richer countries that have lots of industry and service jobs such as the UK and Japan.
- **Newly Emerging Economies (NEE)** - Countries that have begun to experience high rates of economic development, usually with rapid industrialisation. They differ from LICs in that they no longer rely primarily on agriculture, have made gains in infrastructure and industrial growth, and are experiencing increasing incomes and high levels of investment. E.g. Brazil, Russia, China and South Africa (the so-called BRICS countries).

There are a huge number of measures that can be used to measure the level of Development of a place. These measures can be classified as;

- **Social** – relating to the development of the people of the place and;
- **Economic**, relating to the finances and wealth of the place.

Some countries may have imbalances in these measures, so a country may have very high levels of wealth and economic development, but poor levels of political freedom so poor political and social development. It is therefore better to look at a NUMBER of different measures of development of places before coming to a judgment about its level of development.

The most powerful individual number or measure is probably the Human Development Index, because it combines together economic and social measures into one figure. However, I quite like the Happy Planet Index as an alternative! Surely if people are ranked as happy then their country or region is developed!

The Exam board expects you to know the definitions below, but there are many other Indicators of development that you could investigate;

1. **GNI per head** - Gross national income is a measure of the country's wealth. GDP is part of GNI. It includes the total value of goods and services produced within a country (i.e. its **Gross Domestic Product**), together with its income received from other countries (such as interest and dividends), minus similar payments made to other countries. So if a British-based company such as BP sends profits back to the UK our GNI is enhanced, whilst profits flowing out of the country from a company such as Nissan to Japan will count to Japan's GNI and not the UK's. GNI is therefore different to GDP because it includes it!
2. **Human Development Index (HDI)** – This is a composite (combined) measure that considers life expectancy, GNI and an education index to give a value between 0 and 1, 1 being the most developed. This is powerful as it includes both economic and social factors.

The Human Development Index (HDI) is a comparative measure of life expectancy, literacy, education and standards of living for countries worldwide. It runs from 0 (very undeveloped) to 1 (very developed)

A map of the Human Development Index



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3. **Birth Rates** - How many babies are born per 1000 people in a population per year. We tend to find that the poorest countries have high birth rates, and wealthier countries have lower birth rates. This is because poorer countries have high replacement rates to compensate for high infant mortality, poorer access to family planning and contraception, and a tradition for large family size to supplement a largely agricultural workforce.
4. **Death rates** - How many people die per 1000 people in a population per year. This is becoming less useful as a measure of development, as death rates fall due to imported medicine and technology in many poorer countries. It would be better to look at CAUSE of death, as in HICs it will be wealth and age related illnesses
5. **Infant mortality** - How many babies die per 1,000 live births per year. This is a useful measure as it indicates the medical systems in the country and how well the most vulnerable in society, the very young, are protected and looked after in their early years.
6. **People per doctor** - How many people there are for every doctor in a country or place. Again, this indicates how much money is available in a country for the training and recruitment of doctors, which has an instant knock on effect on the well-being and quality of life of a person.
7. **Literacy rate** - What percentage of the country is able to read and write as adults. This is another social measure, and helps to indicate the standard of education within a country or place.
8. **Access to safe water** - What percentage of people have access to sanitary and safe water that is free from bacteria and parasites. This is something we take for granted in the UK, but according to Water.org 780 million people lack access to safe water and 3.4million die every year from a water related disease.
9. **Life expectancy** - The average age a person can expect to live to at birth. This is a very useful indicator as it reveals how good food security, water quality, shelter and medical care are in a country.

ACTIVITIES 5.1

1. Describe the patterns on the HDI map on page 1 _____

2. Pick your top 3 measures for showing the development of a place
 1. _____ 2. _____ 3. _____
3. Justify your ranking – why are these the best indicators? _____

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5.2 Mapping development - Different ways of classifying different parts of the world.

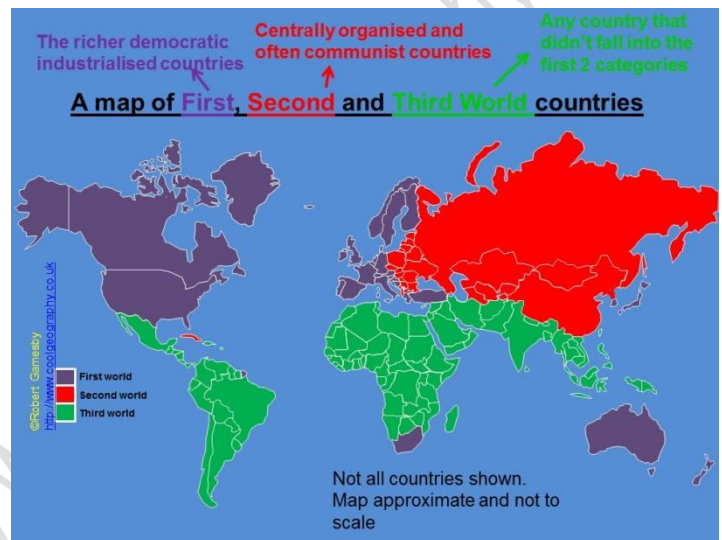
One of the most useful things we can do to understand development and how it changes over space from place to place is map it! There are many different things that we could map to show how **development varies from place to place**, and we could map them at different scales. The most common way to map data or information is to use a choropleth map, which is basically a coloured in map where the colours represent certain values. We could map the number of people per doctor, the **literacy** level of a place, the number of calories consumed, the number of mobile phones in a population, the average wage, the number of AIDS sufferers etc. to see how these features of a population vary over space.

For a long time Geographers have been trying to CLASSIFY or put into groups countries around the globe with similar characteristics. This has been particularly relevant to development, and these characteristics have changed over time.

First, second, and third worlds

One of the earliest classifications was a 3 fold division used by the United Nations for the first time in 1945.

1. The First World included mainly capitalist free-market countries found in Western Europe and their old colonies such as the USA and Australia.
2. The second world comprised centrally planned, socialist or communist countries. These countries had different structure to those of the first world and had much more government control of business and public services. The second and first worlds were at odds for decades during the cold war.
3. The third world comprised the least developed countries and developing countries.



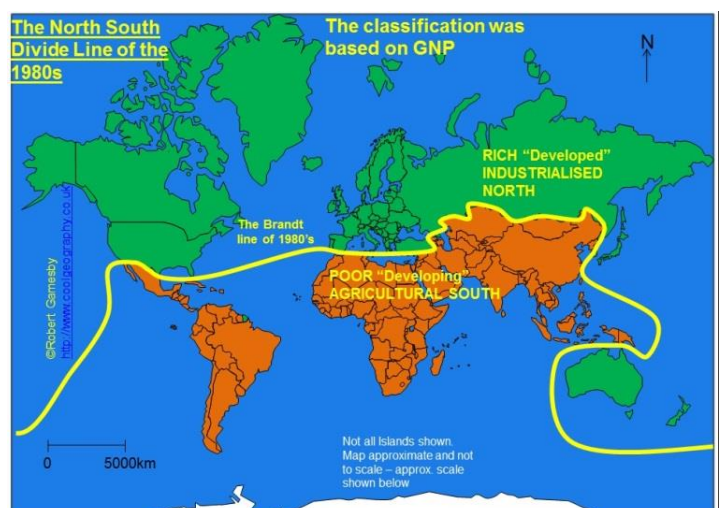
This division had a bias towards the democratic first world and hid huge differences between countries in the third world.

The North-South Divide

The North-South Divide is a division that exists between the wealthy developed countries, known collectively as "the North", and the poorer developing countries (least developed countries), or "the South." The divide was part of a report by Brandt on the state of world development in 1971 and classified countries broadly as economically wealthy manufacturing countries (the North) or agricultural (the South).

The "North";

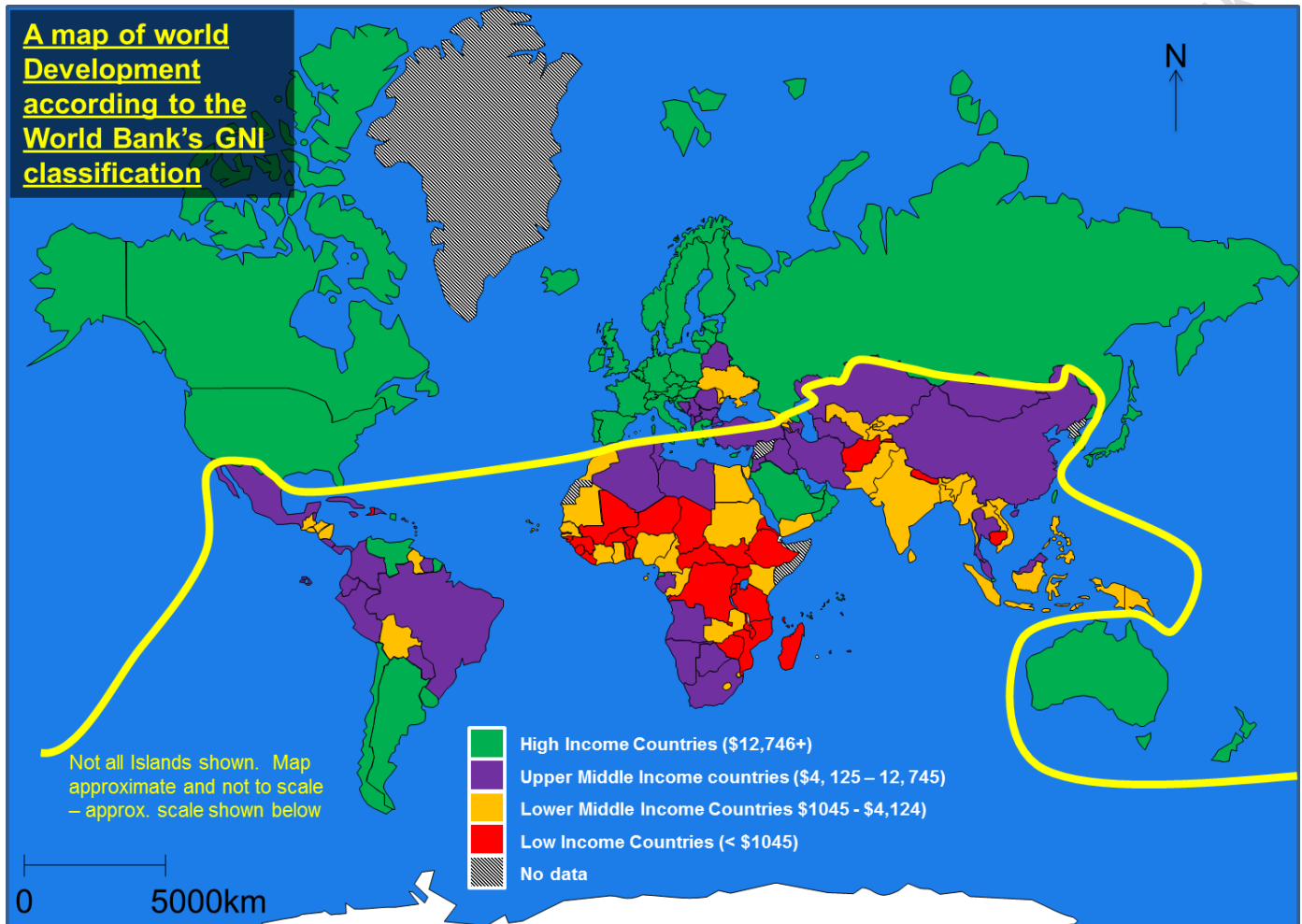
1. Is home to four of the five permanent members of the **United Nations Security Council**
2. Has all members of the **G8**, the group of the 8 most powerful nations/economies on Planet Earth
3. Has enough food and water for 95% of its population
4. Have 95% of people with access to a functioning education system.
5. Controls four fifths of the world income.
6. Owns 90% of the manufacturing industries



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This distinction has fallen out of favour because;

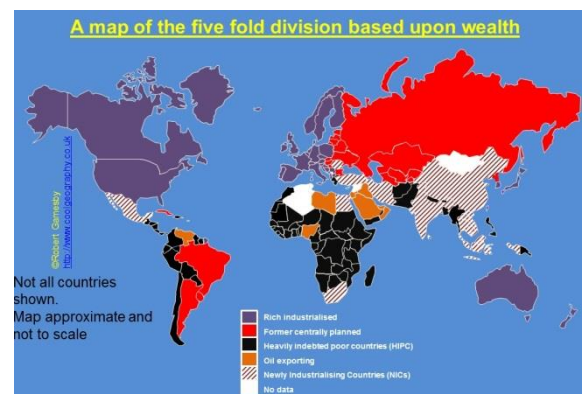
- It is too simple – large variations in wealth are hidden in both the rich North and poor south
- It is geographically incorrect – Australia and New Zealand are geographically south but included in the North, whilst more poor countries that make up the South are above the Equator than below it!
- Development changes over time –the BRIC economies of Brazil, India and China (but not Russia as it was already north of the line) have grown massively since the map was made
- Economies have become more varied than manufacturing and agriculture.



The five - fold division based on wealth

1. Rich industrialising countries e.g. UK, USA, Japan, Australia, etc.
2. Oil Exporting countries e.g. UAE.
3. New Industrializing countries e.g. India, China.
4. Former centrally planned economies (previous communist systems) e.g. Russia.
5. Heavily indebted poor countries e.g. Chad, Congo.

This is a more recent method designed to try and classify countries and their level of development. It makes a better distinction between countries of lower levels of development and accounts for different reasons for wealth. It also takes into account the variable success of the formally centrally planned economies such as Russia. The [UN](#) also has a program for LDCs, the Least Developed Countries.



ACTIVITIES 5.2

Using an Atlas and the GNI map on page 5 complete the table below;

Country	GNI on map	North or South of the Brandt Line?
UK		
South Africa		
Madagascar		
Brazil		
USA		
Ukraine		

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According to the data in the table above, which countries are correctly classified as North or South?

According to the data in the table above, which countries are INCORRECTLY classified as North or South?

What does this information reveal about the VALIDITY (how accurate it is) of the North South Divide line from 1971?

Which method of classifying countries do you prefer (First, second and third world method; North-South divide; HIC-LIC; or 5 fold division of wealth) and WHY?

5.2b Correlation between Development measures.

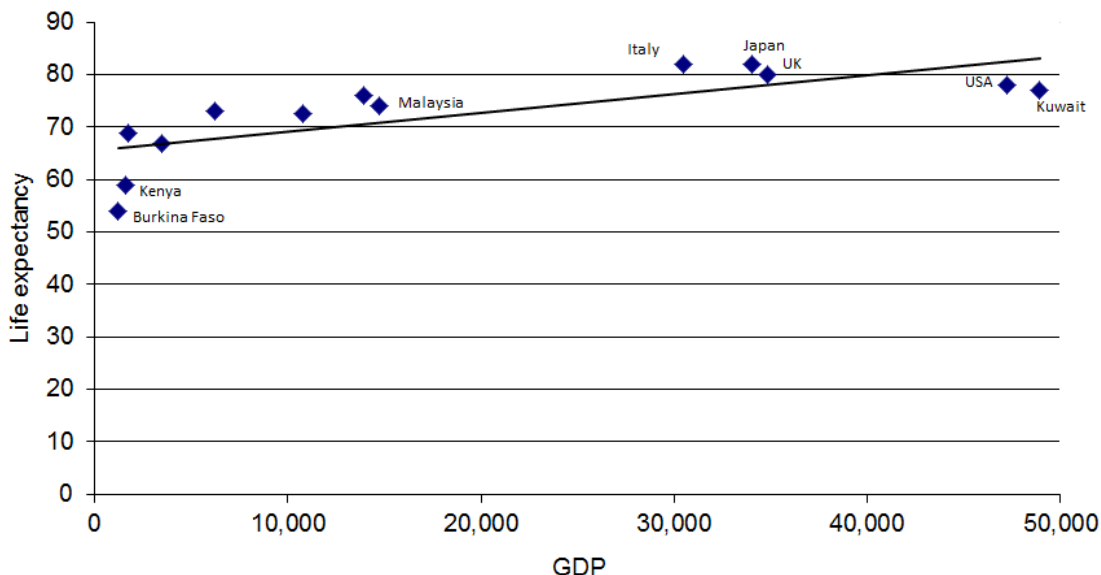
Generally, we would expect many of the indicators to be correlated together. The expression “correlated” means that they should link to one another and affect one another.

For example, in a country with high Gross National Income we would expect a high number of Internet users as the country has the money available for a high quality cable network. Similarly, we might expect countries with Low Gross National Income to have high numbers of people per doctor as it is expensive to train and pay doctors, and to pay for the facilities they would require.

There are 2 examples below dealing with the following measures of development

- **Gross Domestic Product** is the total market value of goods and services that a country produces in a year per person. This is measured in US\$.
- **Life Expectancy** is the length of time the average person in a country can expect to live for.
- **Infant mortality** is the number of babies who do not survive past the age of 1 year old for every 1000 live births in a population.

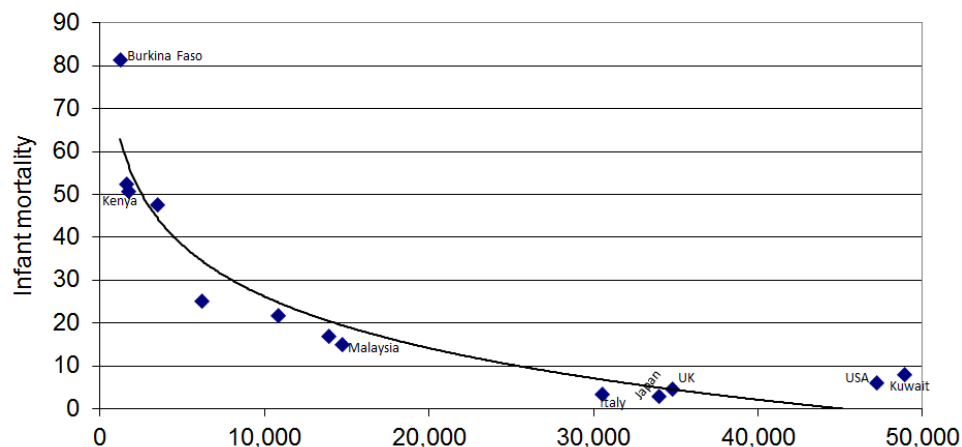
A scattergraph of life expectancy and GDP



The graph reveals a **POSITIVE** correlation that is reasonably **STRONG**. This is because the points are close to the line and as one variable goes up so does the other. This means that as GDP goes up so does the average age a person can expect to live to. This makes logical sense, in countries with high GDP such as the USA there are very good food distribution systems, clean water, education facilities and excellent medical care. All of these features

maximize people's chances of living a long and healthy life. Sadly, in poorer countries such as Burkina Faso their lack of wealth and high levels of debt mean that they cannot afford the same things as the USA, resulting in a lower life expectancy.

A scattergraph showing Infant Mortality per 1000 and GDP



The scatter graph above shows a **NEGATIVE** correlation between the 2 variables. Here, we can see that as the GDP per capita (person) goes up, the infant mortality falls rapidly. In Burkina Faso, a huge infant mortality of 81 infants under 1 dying before the age of 1 in every 1,000 live births is a tragedy. It is a reflection of their status as a Highly Indebted LDC, which cannot afford decent maternal care, vaccines and medical care for newborn infants. This

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will not be the case in richer countries such as the UK and Japan.

Not all variables will be linked together in this way, but the majority will be, and there will always be countries that disrupt the trend. However, when correlating data this way some distressing patterns emerge for the world's poorest countries which have;

- The highest infant mortalities
- Shorter life expectancies
- Lower calorie intake per person
- Higher maternal death rates
- Higher incidents of HIV, AIDS and Malaria
- Lowest access to safe drinking water
- The highest % of people undernourished
- The lowest per capita incomes
- The poorest literacy rates and shortest educations

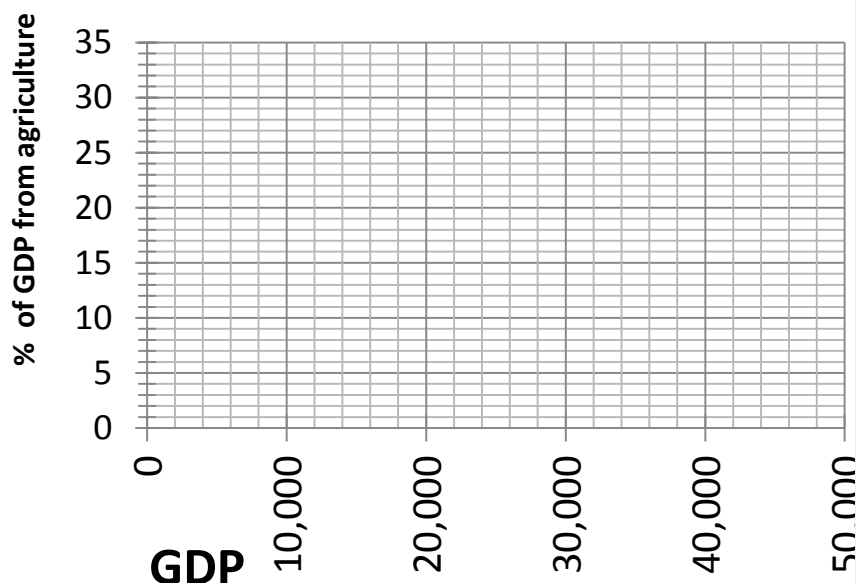
This is where Aid and fairer trading can really make a difference to the poorest people in the world, who have been dubbed the "[bottom billion](#)".

ACTIVITIES 5.2b

Hypothesis: As GDP Increases the % GDP from Agriculture Decreases

Country	GDP US\$ per Capita	% GDP from agriculture
Japan	34,000	3.9
USA	47,200	1.2
Italy	30,500	1.8
UK	34,800	0.9
Kuwait	48,900	0.3
Mexico	13,900	4.2
Malaysia	14,700	9.1
Brazil	10,800	6.1
Egypt	6,200	13.5
India	3,500	16.1
Kenya	1,600	22
Bangladesh	1,700	18.4
Burkina Faso	1,200	30.1

Graph comparing GDP amounts with % GDP from agriculture



1. Plot the points above as a scatter graph on the paper provided. Remember to add a line of best fit.
2. Is the relationship positive, negative or No relationship? _____

3. Is the Hypothesis "**As GDP Increases the % of GDP from Agriculture Decreases**" true or false.
Give reasons for your answer. _____

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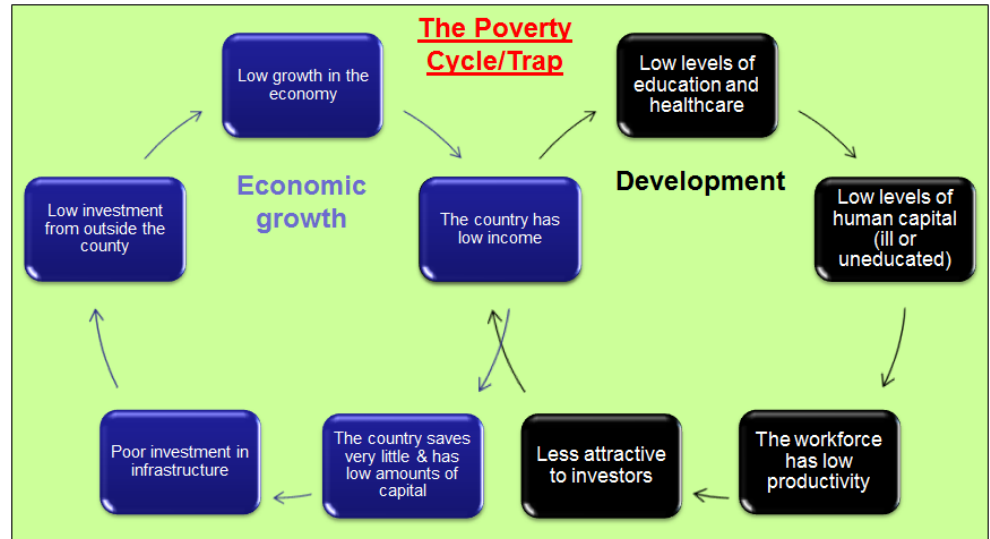
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5.3 Causes of uneven development - physical, economic and historical

Economic factors affecting development

Unfortunately **poverty can lead to poverty**. The diagram shows the poverty trap, which is often thought of as a cycle. Low investment in key areas such as infrastructure (roads, rail, telecommunications etc.), education and healthcare can be bad for a population.

Populations in countries at low levels of development can become more vulnerable to **ill health** (as we have seen with HIV and AIDs in sub-Saharan Africa) which reduces the productivity of the workforce.



In addition, a **lack of education** leads to a lower quality workforce, and poor road networks are not attractive to outside investors. Simple things like these can exacerbate (make worse) poverty, and keep countries mired in a low level of development.

It is very difficult to expand from a very low base, particularly in today's very competitive global economy. In addition, countries at low levels of economic development are also more likely to be victims of civil wars and their after effects. Countries such as the Sudan, Democratic Republic of the Congo and Rwanda are good examples of this. Wars consume vital resources and divert attention away from the crucial issues for normal people, healthcare, reliable food supplies, stability, economic well-being and access to clean drinking water.

WORLD TRADE

The world's poorest countries have also been at the mercy of a global trade system designed and controlled by the world's richest countries. Several measures put in place by the world's richest countries mean that the world's poorest countries are at a disadvantage;

1. Import tariffs of goods from poorer countries put the prices of those goods UP
2. Subsidies (payments from governments to the producer) of goods produced in richer countries push the prices of rich world goods cheaper. This makes it harder for poorer countries to compete.
3. The world trade system encourages a "race to the bottom", where buyers from richer countries go from place to place around the world driving down prices because supply of goods often outstrips demand.

In addition, the lack of reliable energy supply, political stability, infrastructure and educated workforce put countries at a disadvantage. The net result in many poorer countries is that they are forced to export only lower value raw materials such as agricultural goods, whilst they buy back more expensive manufactured goods or services. Poorer countries do not have the capital to set these types of industries up.

PHYSICAL factors

The physical environment can have a direct impact upon the development of a place. The UK benefitted in many ways from its physical or natural environment for its rise to a global superpower during the Industrial Revolution. Its Island natural gave it a coastline to fully exploit for resources and many potential trade routes. It had the right mix of natural resources to exploit for many Industrial processes, including coal, iron Ore and Limestone. It also had a temperate climate without the extremes of weather that can damage development. Many countries are not as fortunate and the following factors can limit development;

1. **Climate related disease** – many tropical countries unfortunately suffer from diseases that thrive in hot humid conditions, such as Dengue Fever, Chagas Disease and Malaria. People who get these diseases are incapacitated and cannot work or may even die, limiting development.

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2. **A lack of natural resources** – countries with few natural resources start off at a very low economic base and find it hard to create products that can sell on world markets.
3. **Natural resource curse theory** – this is a theory that states if a country has one very valuable resource all efforts of the country are put into the exploitation of that resource. That limits the POTENTIAL development of other industries and if the resource is in the hands of a minority unscrupulous ruling elite, the profits are not shared well amongst people in the country.
4. **Being landlocked with bad neighbours** – although this has a political element to it, countries that have no access to the sea are at the mercy of their neighbours. If they are “bad neighbours” who expect huge payments or have regular conflict, this can severely limit development.
5. **Climatic hazards** such as hurricanes and drought are more likely to strike some countries than others. For fragile countries a drought could have a devastating impact on development. The 2011 to 2012 Horn of Africa famine that affected Ethiopia, Eritrea, Kenya and Somalia had a long term impact. As well as killing and weakening people from hunger and thirst, many of these countries had to deal with a refugee crisis, diverting valuable resources away from other development objectives.

Horn of Africa famine 2011 to 2012

HISTORICAL FACTORS

FROM PHOTOGRAPHS, CONGO STATE

“The pictures get sneaked around everywhere.” — Page 40.

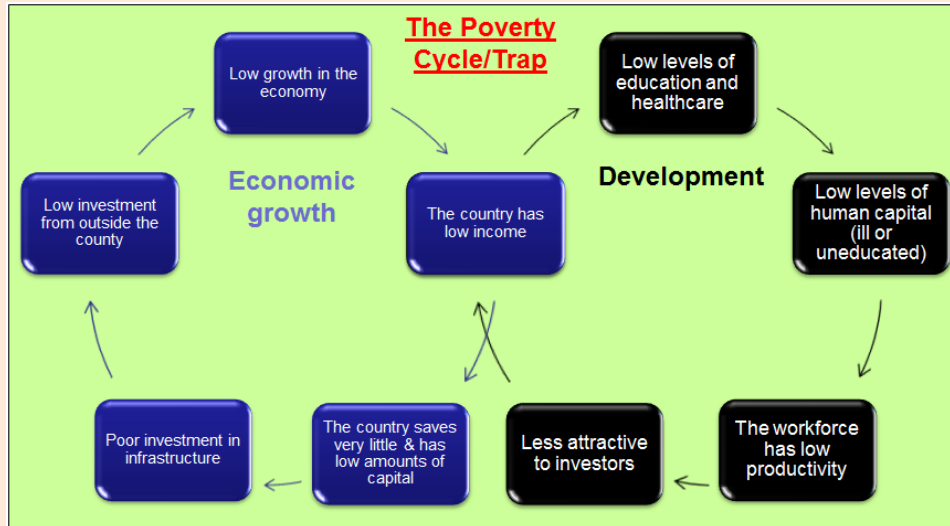
There are many historical factors that can affect the level of development of a place. In the short term a lack of investment in education is particularly important, as many countries cannot afford to send all children to school even at a basic level. UNICEF claim that in 2006 93 million children of primary school age were not in school!

Looking at the longer term, the colonial legacy of many countries across the globe has held many countries back. Countries such as the UK, France, Spain and Germany had colonies across the globe from which they took people and resources. These processes have limited the development of these countries. Opposite is an image of mutilated Congolese slaves who were forced to work on Belgian rubber plantations under King Leopold. Such acts of vicious oppression held countries such as the Congo back.

Colonial countries also drew up borders and created countries that ignored tribal, ethnic and religious differences within those regions. This has subsequently led to conflict which also holds a countries economic development back.

Another good example here is Nigeria, a country created by the UK but struggling to cater for all of its different ethnic and religious groups.

Source of photo: King Leopold's Soliloquy: A Defense of His Congo Rule, By Mark Twain, Boston: The P. R. Warren Co., 1905, Second Edition.

ACTIVITIES 5.3

Add to the diagram above at least 4 ways that you could break the cycle of poverty.

How do PHYSICAL factors affect the level of development of your country?

Explain how world trade is UNFAIR on LICs, the world's poorest countries

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5.4 Consequences of uneven development

The patterns outlined on the scatter graphs on page 7 show that there are huge issues that the world needs to deal with in terms of standard of living and quality of life.

Indeed, income variations across the world can have huge impacts upon the quality of life a person has. There are a massive range of things that are directly impacted by a person or a country's ability to pay for them. These things include access to clean water, education, and access to health care, access to medicines, adequate shelter, security, electricity and many more.

- The term **quality of life** is used to evaluate the general well-being of individuals and societies. Many of the factors affecting it are tied in with the United Nations Universal human rights such as the right to freedom, the right to marry and freedom from discrimination. None of these things are ECONOMIC.
- In contrast, **standard of living** is based primarily on income and what that level of income will allow a person to buy in the way of necessities and luxury goods. Standard of living refers to the level of wealth, comfort, material goods and necessities available to a certain group of people in a certain geographic area.

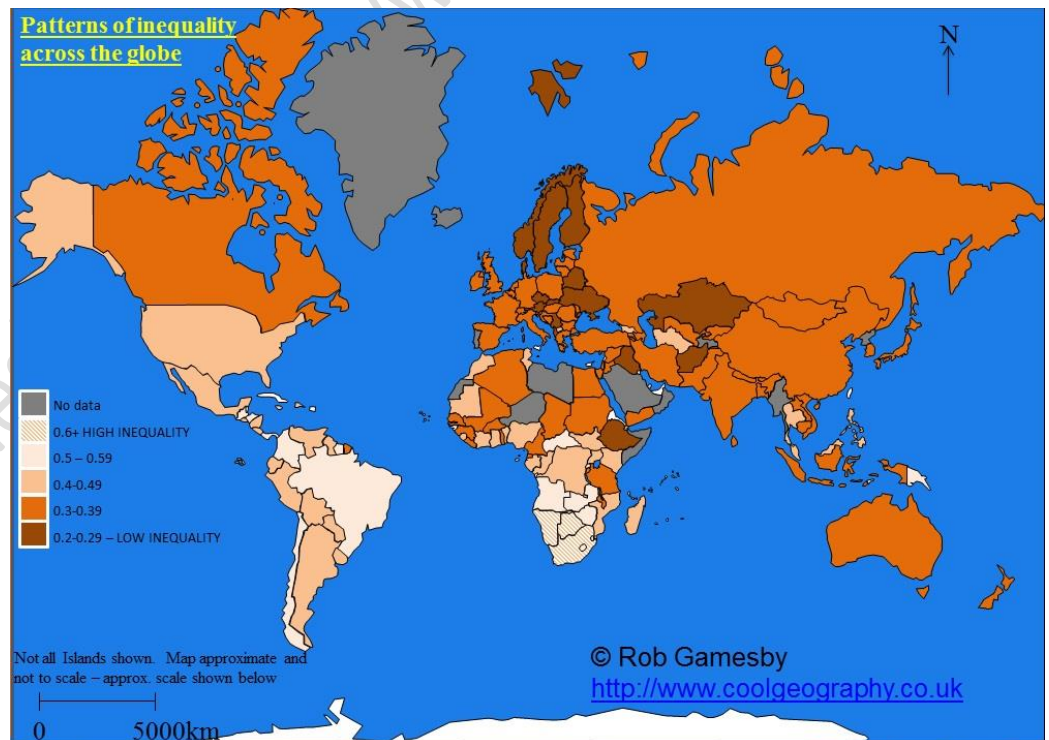
One more thing to consider is the different perceptions/views of acceptable quality of life in different parts of the world. What may be totally unacceptable in richer nations such as living in shanty towns might be the norm in poorer nations. Imagine people living in shanty towns in Mumbai, those that have been improved and stabilized over the years might offer a reasonable quality of life compared to the pavement dwellers of that city, but would be totally unacceptable for most Western people to consider living in!

There are problems with UNEVEN DEVELOPMENT that directly affect people's quality of life and standard of living. These are known as INEQUALITIES - extreme differences between poverty and wealth, as well as in peoples' wellbeing and access to things like jobs, housing and education.

There are local inequalities and there are inequalities at a global level. Some people have the ability to buy bottled water; others have to drink dirty water that is potentially unsafe. Some people drive a car to work and some have only ever walked.

There can also be big gaps WITHIN countries.

In the UNDP Human Development Report (HDR) of 2005 only 9 countries (4% of the world's population) have reduced the wealth gap between rich and poor, whilst 80% of the world's population recorded an increase in wealth inequality.



The report states that:

"The richest 50 individuals in the world have a combined income greater than that of the poorest 416 million. The 2.5 billion people living on less than \$2 a day 40% of the world's population receive only 5% of global income, while 54% of global income goes to the richest 10% of the world's population."

(From [Share the World's Resources](#))

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The consequences of uneven development include;

1. **More International Migration**, as people move globally from areas that have very little to wealthier more developed areas
2. **Lack of social opportunity** – children in poorer areas get stuck in poverty, with little or no chance of working their way out
3. Countries with high inequality often have **lower growth in the wealth** of the country ([IMF](#))
4. Inequality can lead to **political instability** – civil wars and riots are more likely when the rich are far richer than the poor.
5. It forces **billions of people to live in poverty**, without access to safe water, education, inadequate food supplies and unsafe shelters.

EXAMPLE – Dealing with the consequences of inequality – CaFOD's action with Hirbo in Ethiopia



Hirbo Guyo, 31, and his wife Nanne Hiddo, 28, live in Menese village, Ethiopia with their son and two daughters.

Hirbo was born to farming parents who gave him half a hectare of land when he married Nanne Hiddo in 2004. Hirbo depended entirely on farming. He grows broad beans, as well as a crop called 'teff' which he sells to buy cheaper food. But Hirbo struggled to feed his family.

"I was not able to feed my family three times a day. I had to save and eat little and sometimes skip meals. We were not eating enough."

Agri Service Ethiopia, a partner organisation working in Ethiopia with the Catholic charities CAFOD, Trócaire and SCIAF, gave skills training to Hirbo and other local farmers to help them find additional sources of income rather than depending entirely on farming.

Hirbo chose to learn the skills of a blacksmith: "I chose blacksmithing because I wanted to help my community with making farm tools like ploughs. I was aware of the problem of not having someone who could fix farm tools in my community." Within 4 months of his training he had already made and sharpened ten ploughs for local farmers.



If Hirbo still relied on farming alone, his entire annual income would be 8,000 Birr. His blacksmithing brings him about 30,000 Birr a year: "My regular income is 2,500 Birr a month... With the money I buy food and clothes and pay for other family expenses."

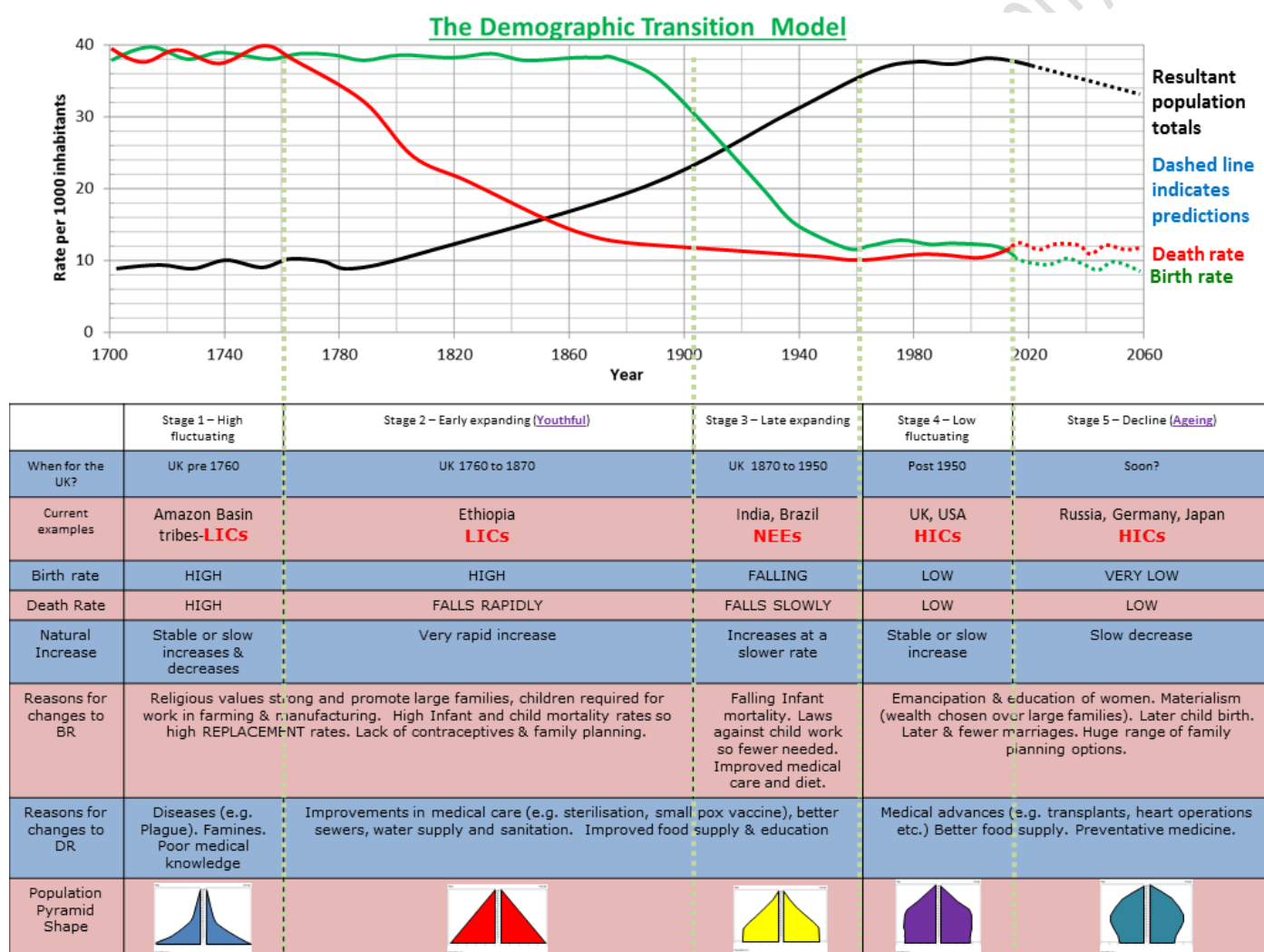
"I was in a desperate situation. I thought I was going to live under a thatched roof my entire life. My family was always stressed when we were running out of food. I was not even sure I could harvest a crop on my farm every year. I used to take extra work to buy food for my family. Now I make enough money to buy enough food for my family. I have a plan to construct a metal roofed house in a year's time. My life has completely transformed."

5.5 Link between stages of the Demographic Transition Model and the level of development.

The Demographic Transition Model graphs **Birth rate**, **Death rate** and **Natural Increase**. The word demographic simply means population, and transition relates to change. Therefore this model proposes what should happen to a population over time and how it should **CHANGE**.

If **birth rate** is greater than **death rate** the **population** will increase. If **the death rate** is greater than **birth rate** the **population** will naturally decrease. The greater the difference the greater the rate of Natural Increase. The rate of Natural Increase is much higher in developing countries of the world, and many countries in MEDCs are actually experiencing population decline.

The **demographic transition model** is set out in 5 stages and was based on the United Kingdom. These can be seen below.

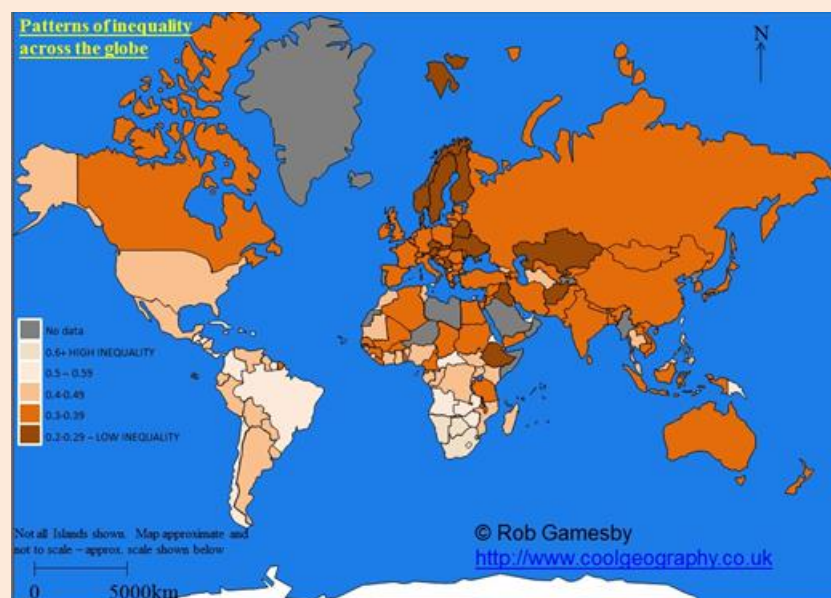


Generally, most countries would progress through the demographic transition model as they develop. It should be clear that;

- **LICs** have populations typical of **stages 1 and 2** that are **growing rapidly** with low life expectancies
- **NEEs** have populations typical of **stage 3** where birth rates are falling and **growth is slower**, and people are living longer
- **HICs** have populations at **stages 4 and 5**, with **very slow growing populations or populations in decline**.

ACTIVITIES 5.5

Describe the patterns on the map of inequality below. The higher the figure shown, the greater the inequality between rich and poor in the country.

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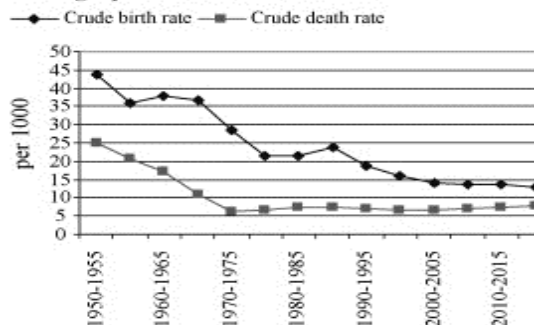
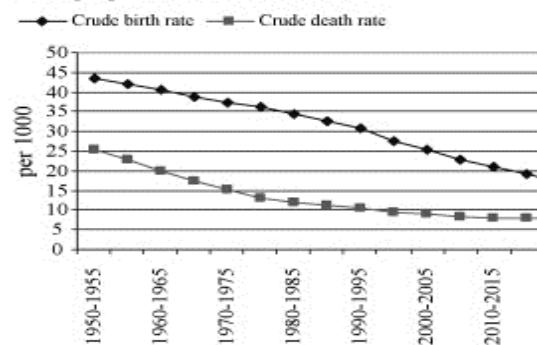
Use the graphs opposite to answer the questions below;

What stage of the demographic transition model was INDIA in in 1950-55?

What stage of the demographic transition model was CHINA in in 1960-65?

What stage of the demographic transition model was INDIA in in 2010-2015?

Draw an annotated population pyramid to show the stage of the demographic transition model China had reached by 2010.

Demographic Transition in China**Demographic Transition in India**

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5.6 Managing disparities in development and quality of lifeInvestment





Investment can be used in 2 ways in poorer countries in order to try and improve quality of life and reduce gaps in development. Internal investment can come from large companies or the government, who might develop their own companies and projects. Many LICs are not capable of doing this, so turn instead to **Foreign Direct Investment (FDI)**.

FDI is where foreign companies (such as BMW) locate their factories or research and development facilities in another country. 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. However, there are some negatives such as the misuse of the environment, local workers in poorer countries getting poor wages or working in poor conditions, profits leaving the poor country and going back to the host country of the company, and also large foreign firms squashing the development of local companies.

Aid

Aid is basically a form of help given from one country to another; or one person to another, or from a charity (often called **Non-Government Organisations** or NGOs) to a country or region. It is most likely that you will have given aid at some point in your life! Aid can be given in the **short term** for emergencies, like during the 2004 Boxing Day Tsunami, when money poured into South East Asia to help the victims and the sick. Development aid is **longer term**, and seeks to help people in poorer countries raise their standard of living. Below is a table summarising the different types of aid;

Aid can also be **tied or untied**. Tied aid is when the country giving the aid expects something in return for the aid - the host country may have to trade more with the donor country for example. Untied aid is where the receiving country does not have to give anything in return.

Type of aid	What it is	Image
Medical assistance	During emergencies rich nations and charities like the Red Cross or Medecin sans frontiers can provide medical assistance to the affected country. This could take the form of qualified staff or medicines.	 BritishRedCross Emergency aid in Haiti and Kenya
People	Richer nations or charities might choose to send qualified people to help in poorer nations. In the short term during emergencies qualified medical staff and trained pilots and the army can be of great assistance. In the longer term teachers, engineers, consultants can all play a role in advising and train in people within a poorer nation, to help its long term development.	
Money	Money is often sent to LICs, for investment in projects and the local people. The UK sent £45million in aid to Tanzania to be spent on education.	
Large scale projects	LICs can invest in large scale development projects, such as building roads, dams and factories. The idea behind these projects is that they act as a growth point for development, allowing industry and farming to develop and raise massive profits.	
Equipment	Large scale equipment can also be provided in aid to LICs. Equipment such as tractors, irrigation equipment and earth movers have all been provided in the past.	

Intermediate technology

Intermediate or appropriate technology is a way of transferring technology from rich countries to poorer nations.

Its goal is to improve the quality of life in a country through mid-level technology that is small-scale, labour-intensive, energy-efficient, environmentally sound, and locally controlled

This type of technology is designed to improve on current technology within LICs and to be manageable for local people to use. There is no point in sending machinery and technology into an area if the people can get no use of it because it is too complicated.

Intermediate or appropriate technology is a move away from big aid projects. It aims to use simpler technologies that are right for the people, right for the environment and right for the donor. In most poor countries, high tech industries are too expensive to develop and inappropriate to the needs of local people. Appropriate/intermediate technology is usually;

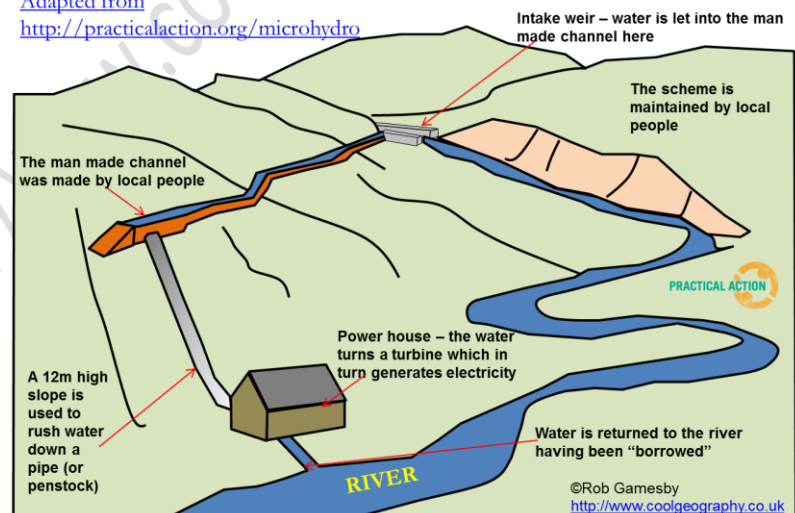
- A) Labour intensive - utilising and creating employment for local labour.
- B) Using sustainable technology and tools/knowledge of local people
- C) Uses newly developed technology that are low cost and local which local people can manage and control rather than IMPORTED techniques and technologies
- D) In harmony with the local environment.

Practical Action is a charity that has over 100 projects worldwide helping over 900,000 people. One type of project is using micro hydro-electric power stations to generate electricity so people can work their way out of poverty. Micro-hydro power is the small-scale gathering of energy from falling water, such as steep mountain rivers. Using this renewable, indigenous, non-polluting resource, micro-hydro plants can generate power for homes, hospitals, schools and workshops.

Practical Action promotes small-scale hydro schemes that generate up to 500 kilowatts of power. This provides poor communities in rural areas with an affordable, easy to maintain and long-term solution to their energy needs. This means that this is a great example of Appropriate Technology. They have developed micro-hydro systems with communities in Peru, Zimbabwe, Sri Lanka, and Kenya.

Practical Action's micro hydro scheme – an EXAMPLE of Intermediate Technology

Adapted from
<http://practicalaction.org/microhydro>

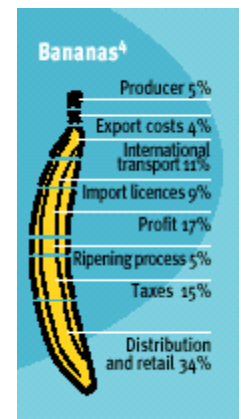


Free Trade

Trade is the exchange of goods, money and services between countries and regions. The goods made in a region and sold to other places and known as Exports (they Exit the country or region). The goods bought into a place from other regions are known as Imports (they come Into the country or region). Trade can be used to help even out the gaps in development. If value of exports for a country or region is greater than its Imports it will have a trade surplus and will make money. If a region imports more than it sells then it will have a trade deficit.

Most **HICs** import primary products which have low value and **export high value manufactured goods** an even higher value services.

Most **LICs export lower value primary products** (such as cocoa, cotton etc.), this means that they struggle to raise standards of living in their countries because they do not have much



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foreign money coming in from trade. The price of primary goods also varies widely and producers can lose out massively, so the trade in a sense is unfair.

Fair Trade

This is a scheme designed to get a better deal for the producers of the primary products that HIC countries need. The producers get access to the market for their goods, a contract (for extra financial security), better prices for their products and access to the Fair Trade Premium, which is a sum of money available from the Fair Trade foundation to be spent upon improving yields, farming practices, health care or education. Fair Trade is an international movement and its influence is growing, more than 4,500 products now bear the fair trade mark, and 72% of the UK population recognise the Fair Trade logo. In addition, more than 7 million people in Africa, Asia and Latin America benefit from Fair Trade - farmers, farm workers, and their families.

Debt Relief

Many LICs took out huge loans (for millions of pounds) during the 1970s, offered to them by banks and governments in rich HICs.

The LICs wanted to use the money for various development projects such as building dams, roads, schools etc. The idea was to help countries to develop by improving their industries and infrastructure. The loans had to be paid back, and the longer the loan went unpaid the larger it got, because the HICs added a sum of money called interest every month.

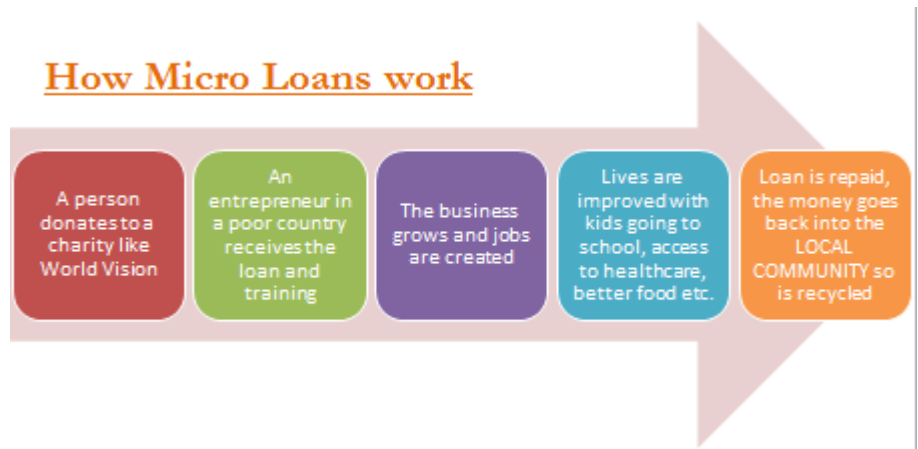


Over time these loans got so large because of interest that some LICs would never be able to pay them off. It also meant that some HICs spent more on loan payments than on health care and education for the people living in their countries. This has had a really damaging effect on the quality of life of people who live in these areas. If a project succeeds debts are easily repaid and there is no issue. However, if a project fails debts can build up because of the interest and countries can get into huge financial trouble. This issue can massively affect the development of a country, which directly affects the standard of living of the people who live there.

In the run up the new millennium a campaign was started to drop the debt, which has had some success in cancelling some debt, freezing the interest on some debt and in some cases giving the poorer LICs more time to pay back their debts. This campaign was called [Jubilee 2000](#). As a result of this campaign the UK government cancelled much but not all of the debts owed to it by poorer nations. Banks have not cancelled debts however, and many countries the world over suffer the effects of debt.




Microfinance loans

Microfinance loans are Very small loans which are given to people in the LICs to help them start a small business. They are typically given to people with very low incomes who would not have access to normal bank loans Banks consider them too much of a risk. The idea is that low-income individuals are capable of lifting themselves out of poverty if given access to money to start their own businesses. The interest rates are either very low, or in the case of charitable donations non-existent, only the loan sum needs repaying.

How Micro Loans work

ACTIVITIES 5.6

Complete the table below to assess the impacts of the various ways to help countries out of poverty. Remember that impacts can be positive and negative.

	Socially 	Economically 	Environmentally 
Trade			
Fair Trade			
Investment			
Loans			

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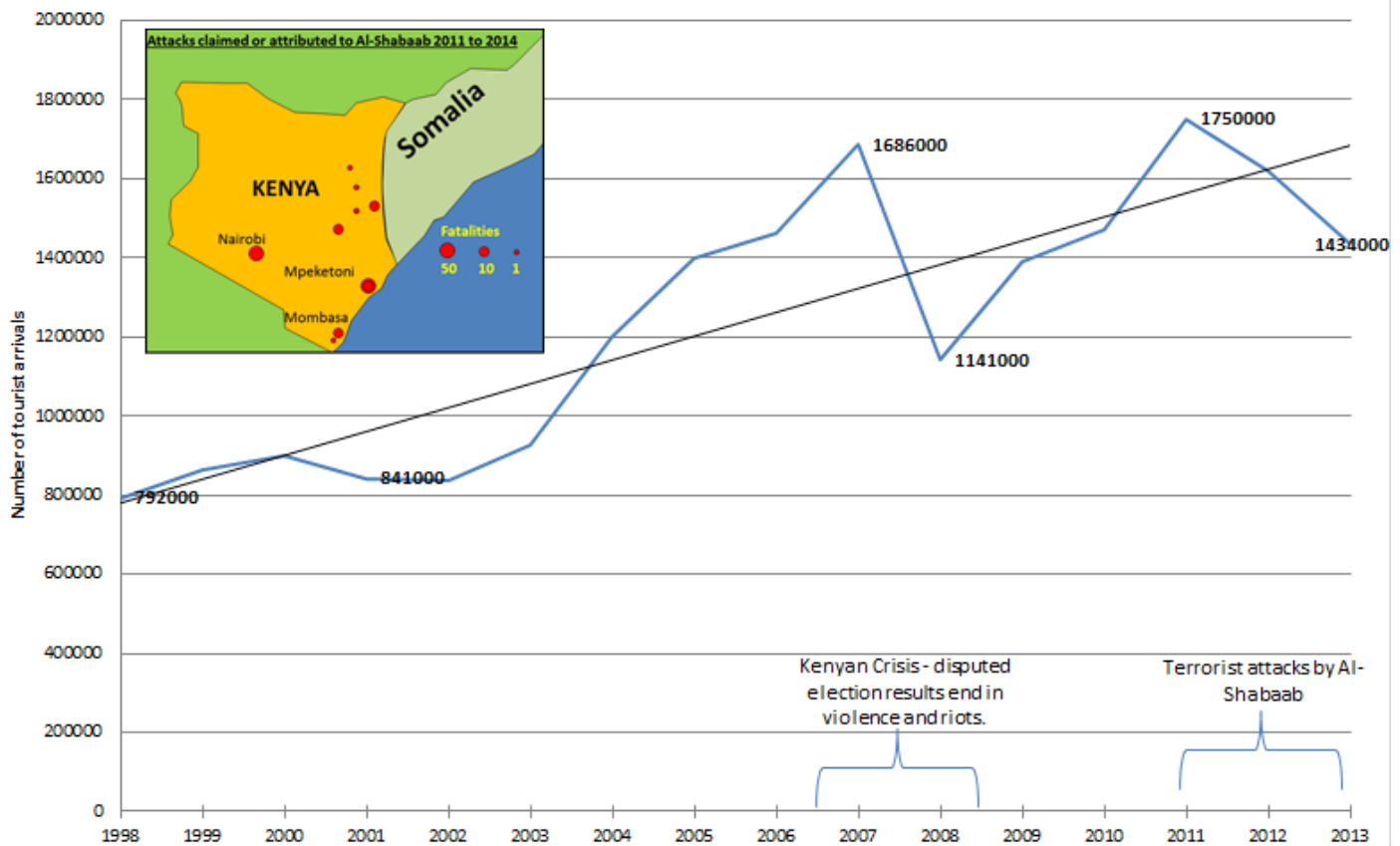
5.7 An example of how the growth of tourism in Kenya (a LIC becoming a NEE) helps to reduce the development gap.

Kenya is a country in East Africa that has successfully developed a tourism industry over the past 40 years. Tourists visit Kenya for many reasons, including to go on safari and to visit its spectacular coastline around Mombasa. Wildlife viewing of animals such as lions, elephants and giraffes is the major tourist attraction in Kenya. Elephants and rhinos *almost* died out in the 1980's because of poaching and hunting but tourism has offered a more sustainable economic activity. As can be seen on the graph, Kenya attracted 1.4million visitors in 2014.

Kenya faces numerous problems as a country; it suffers from periodic failure of the rains such as during the 2011-12 Horn of Africa famine and terrorist attacks from the Al-Shabaab group linked to Al Qaeda. The GDP in 2013 was only \$1,245 per person, just above LIC status and making it a lower middle income country.



A graph showing International Tourist arrivals in Kenya



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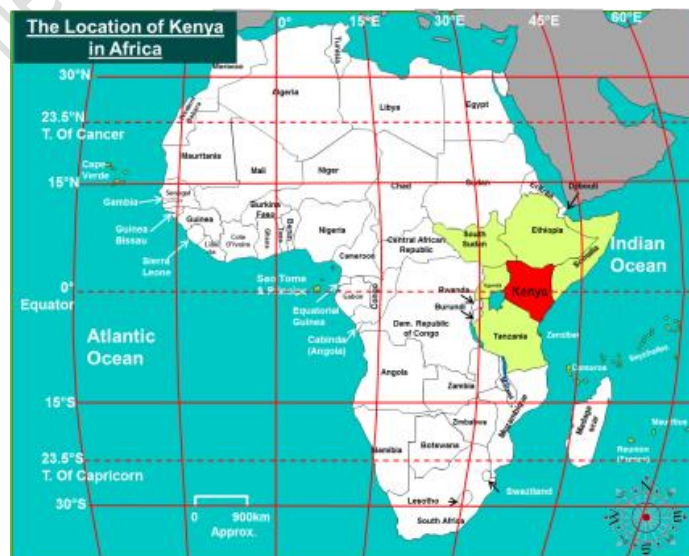
Some facts about tourism in Kenya

- Travel & Tourism generated 226,500 jobs directly in 2013, indirectly 11.6% of Kenyan's jobs rely on tourism
- 11% of the total wage employment is accounted for by tourism and earnings from tourism allow the government to reduce their level of debt
- Tourism contributed DIRECTLY 4.8% of Kenya's GDP in 2013 and a massive 12.1% of GDP through direct and indirect (e.g. farms supplying hotels) tourist services.
- 7.6% of Kenya's capital investment (money coming into the country to develop industry and projects) comes from tourism
- Money spent by tourists in 2014 within Kenya was 17% of Kenya's exports.
- Tourism brings in US\$5.3billion to Kenya's economy

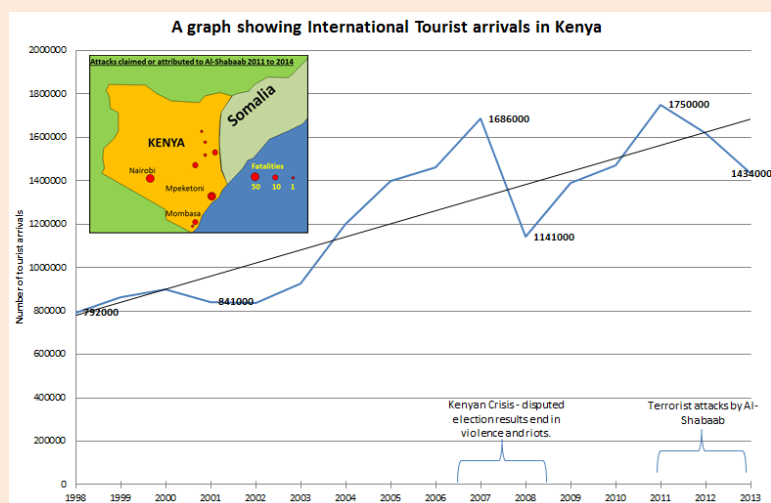


All of these positive economic features have allowed Kenya to develop as a country – tourism directly supports the development of Kenya as a country and allows the government to reinvest money into improving the quality of life for its people. However there are positives and negatives of the tourism.

Positives of tourism	Negatives of tourism
<ol style="list-style-type: none"> 1. Tourists like to see cultural shows by Maasai warriors and will pay good money for it 2. Local infrastructure is improved as water and sanitation facilities, roads, buses, taxis and airports are provided for tourists. 3. Tourists see beautiful landscapes, wildlife such as elephants and plants. They can also be educated about the dangers to fragile ecosystems in the modern world. 4. The Kenyan government loves tourism - foreign currency spent by tourists can be invested in improving local education, health and other services 5. Tourism creates jobs for local people in Kenya and people can learn new skills in tourism services and construction 6. Visitors get an insight into local customs and traditions. 	<ol style="list-style-type: none"> 1. Foreign companies may bring foreign workers to do the skilled jobs; so local people only do low skilled, poorly paid work. 2. Important projects for local communities might be side lined as infrastructure developments are focused on tourists. 3. Pollution and disruption to wildlife habitats could occur if tourism isn't sustainable. 4. Profits can often go to foreign companies, such as tour operators and hotel chains, rather than to the local community. 5. Coastal Environments such as those in Mombasa have been damaged by tourism e.g. destruction of coral reefs as tourists step on the coral and also take souvenirs



Describe the changes in the number of tourists arriving in Kenya over time. Use data in your response.



Is tourism a good industry for Kenya to use to bridge the development gap? Use the table on page 21 Evaluate the impact of tourism on Kenya.

[illegible]

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A case study of NIGERIA (a LICs or NEEs) which is experiencing rapid economic development which leads to significant social and cultural change

Nigeria**5.8 The location and importance of Nigeria**

Nigeria is a former colony of the UK that can be found in West Africa. It is **growing** rapidly as a country both **economically** and in terms of **population**. Many people around the globe think that Nigeria could be Africa's **global superpower** if it can overcome the many problems that limit its development. It already has the continent's biggest economy, a huge military budget and is active in the West African and African continent.

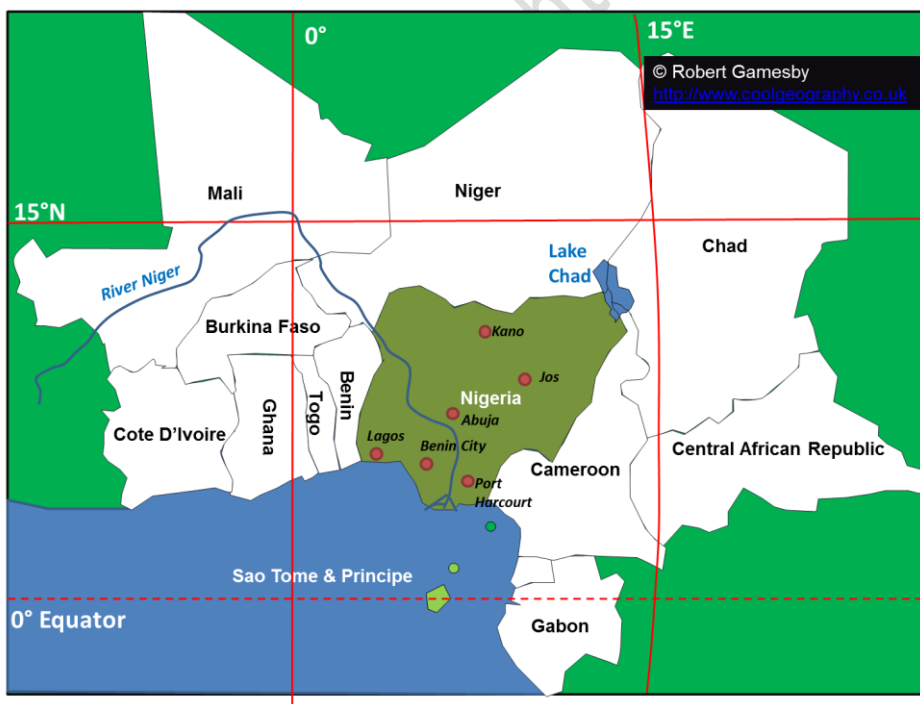
By 2040 predictions are that;

- Nigeria will be the **fourth most populous country** in the world after India, China and the United States with population projected to grow from 170 million to 320 million by 2040.
- **Gross domestic product** (GDP) is projected to **grow** from \$525-billion in 2014 to \$4.2-trillion by 2040.



Nigeria is **rich in oil**, and this makes 75 per cent of government money, but the rapid economic growth (over 7 per cent per year since 2009) is found mostly in the non-oil sector (according to the IMF). Nigeria is making increasing amounts of money from **manufacturing (making things) and services**.

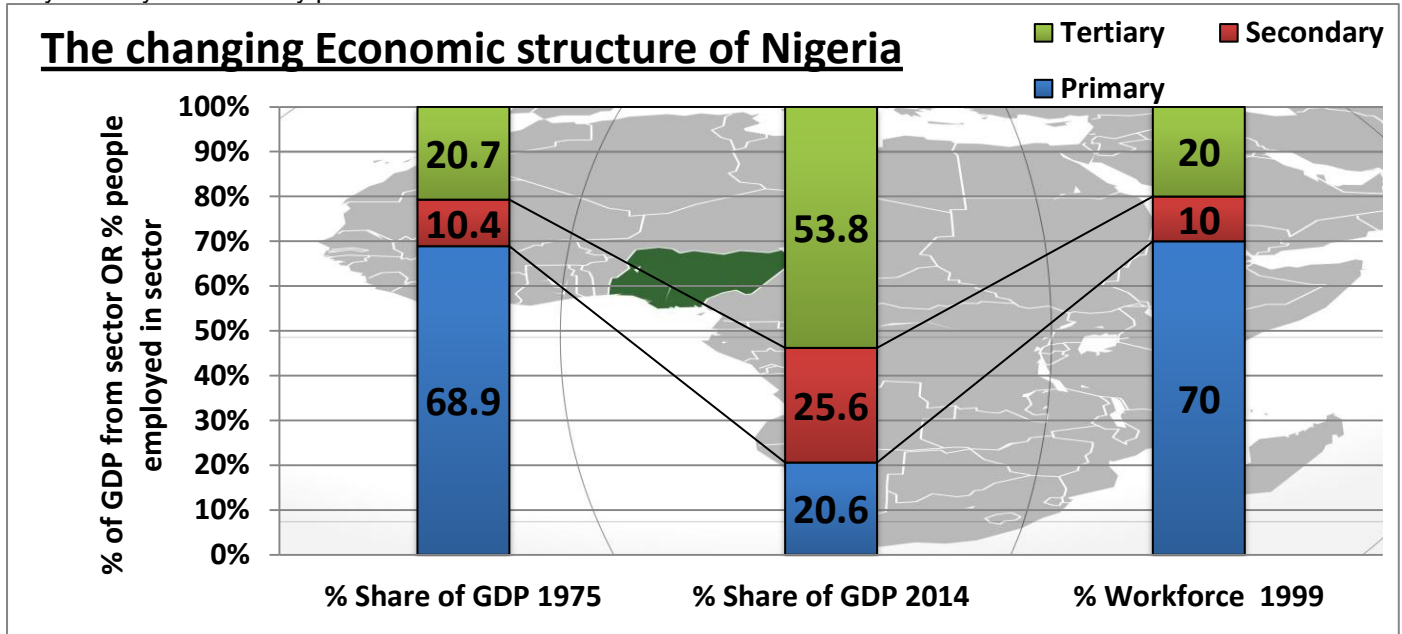
However, despite this wealth Nigeria has a quarter of Africa's extreme poor people. In addition, more than 100 women die every day from complications during pregnancy and childbirth. Over 2,000 children under 5 die every day from preventable diseases and 8.5 million children do not go to school (the most of any country in the world).

**Political links**

Nigeria has many political and economic links around the world and has moved on from its days as a Commonwealth country occupied by the UK (it gained independence in 1960). Its main **trading partners** include the European Union (EU), the United States, India, Brazil, and China. **Nigeria is also an active member of the Economic Community of West African States (ECOWAS)** and is also part of the **African Union**. Nigeria has also stepped up its involvement in international affairs, the country ranks as the **fifth largest contributor to UN peacekeeping missions** (United Nations 2014) and has a non-permanent seat on the UN Security Council for 2014-15.

5.9 The industrial structure of Nigeria

The economy of Nigeria is changing, and it is **shifting** from mainly **PRIMARY based economy** reliant on farming and extractive industries such as oil and gas, to one which making more money or GDP from **manufacturing or secondary industries and more services** in the tertiary sector. Despite these changes Nigeria remains a country divided as the graph below shows. Many people still work in farming and wealth is not well distributed between the very wealthy and the very poor.



According to the World Bank, Nigeria would no longer be classified as a Low income country with a GNI of less than \$1,045; it is a **Middle Income Country** that is also a **Newly Emerging Economy** (NEE) with a GNI of \$5,360. The economy of Nigeria grew at a massive 7% per year every year for over a decade (2004-2014).

The oil industry has been one of the drivers of this change, but more recently it has been the growth of manufacturing and services that are helping the Nigerian economy grow.

Despite being Africa's largest economy, Nigeria is not a rich country. Estimates show that approximately 60 million people live below the national poverty line, and a further 60 million people live not far above it. More than 60% of those living in poverty are in the north and more than three quarters are estimated to be in rural areas. Nigeria now has 15% of the world's children out of school and 10% of the world's child and maternal deaths. Many girls and women are excluded from opportunities: only about 57% of girls in northern Nigeria attend primary school, and less than 1 in 4 go on to secondary school.

ECONOMIC POTENTIAL

Nigeria's economic potential is big because;

1. It has a large National (domestic) market
2. Its geographical position is good in West Africa
3. It has human resources (a large population)
4. It has plentiful natural resources such as Oil.

LIMITS TO GROWTH

Limits to growth for ALL Nigerians include;

- Poor infrastructure such as roads
- Limited access to financial services for small/medium businesses and poor people.
- Lack of electricity
- Job creation being limited by import and export taxes or barriers
- A reliance on agriculture (with low productivity) is the main livelihood for poor people
- Poor governance and ongoing instability - Nigeria has problems with corrupt politicians and recent terrorist attacks by Boko Haram in the north

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- Disputes over land and water and access to (government) resources have also created grievances and violence. The Niger Delta continues to be fragile, but there has been no significant return to violence since an amnesty was implemented in 2010.
- Nigeria has only been democratic since 1999

How manufacturing industry can stimulate economic development

Manufacturing is a very important sector of an economy. It is with manufacturing (also known as secondary industry) where primary goods such as food stuffs (like cocoa) or minerals (e.g. Iron Ore) are processed into usable goods such as chocolate or steel. This is important for many LICs and NEEs because the **price** they receive for **primary goods** is **often low** and varies a lot on the world market. **Secondary goods** command a **higher price** so the country can raise its GDP.

The diagram opposite shows how manufacturing can have a full **POSITIVE MULTIPLIER EFFECT**. If an industry such as the Oil industry in Nigeria's Niger Delta invests in manufacturing plants (such as an oil refinery like the Warri Oil refinery in Nigeria, shown below) there can be many knock on beneficial effects.

The manufacturing attracts jobs **DIRECTLY** within the factory as locals take up new jobs. These locals then spend their money in the local economy and pay taxes. This leads to knock on **INDIRECT** secondary positives. Other industries that can help to service the factory can make money, a cleaning or catering company for example, or a component company. This boosts the economy further, allowing more money to be put into services, immigration to occur and innovation which could lead to other new industries.

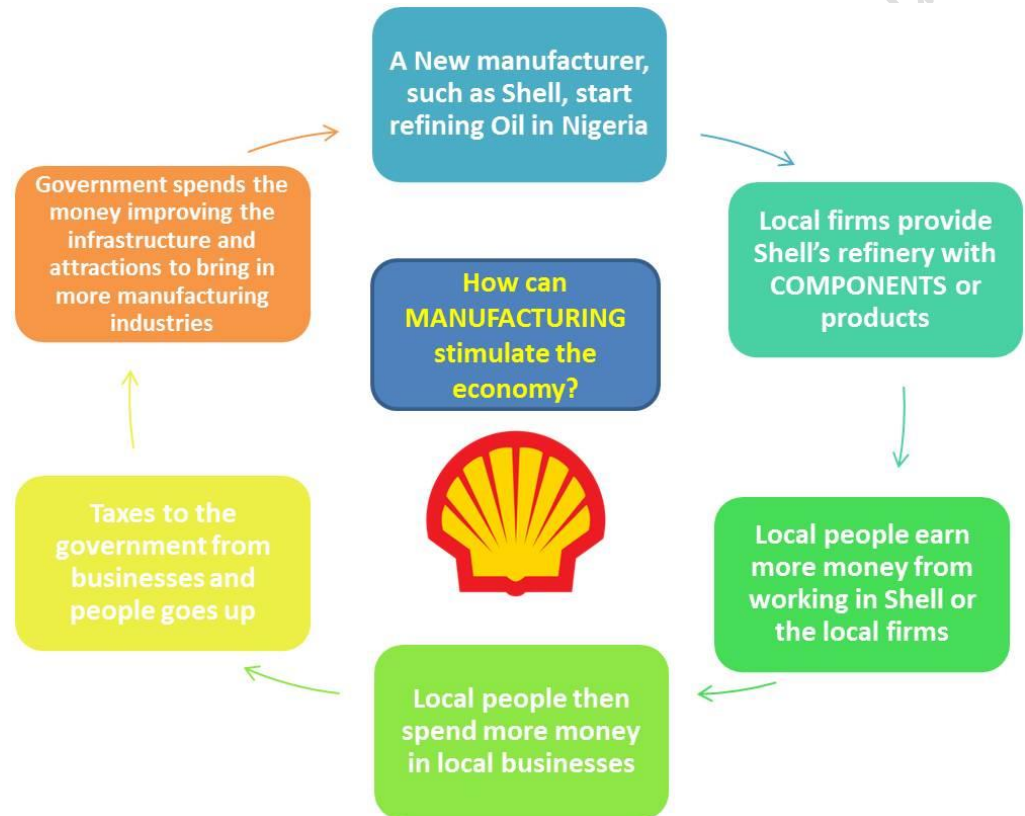
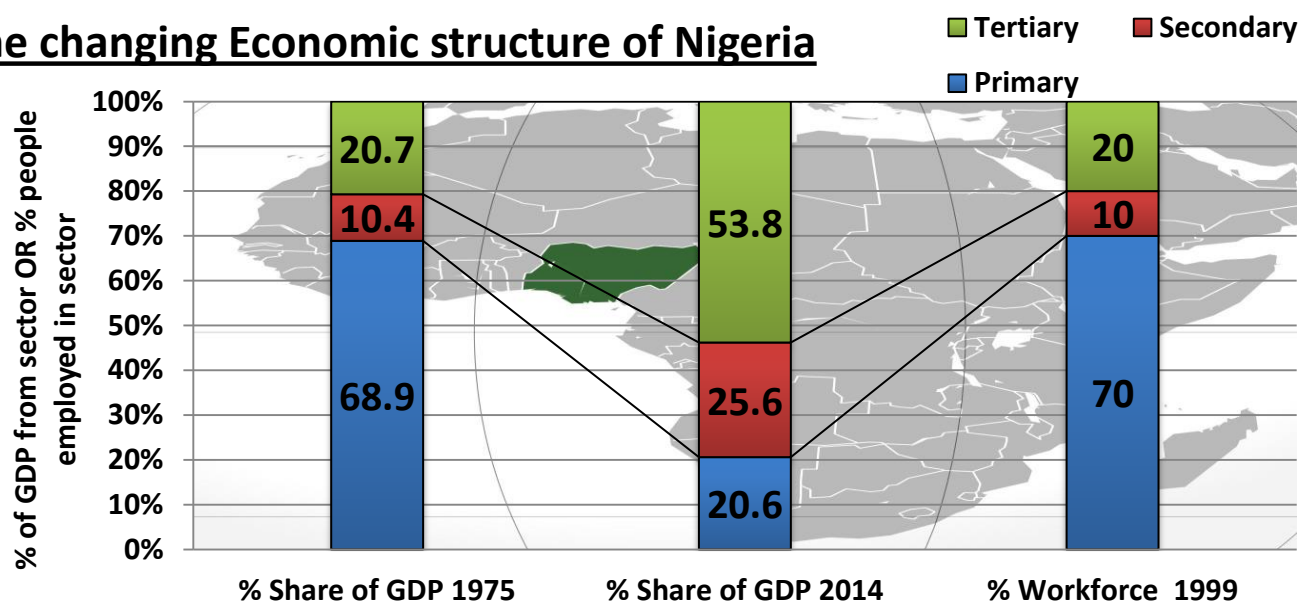


Figure 1 the Positive Multiplier effect



There are often many TNCs involved in this process, including Royal Dutch Shell, a British/Dutch company which extracts and refines oil in Nigeria. Locals have also profited but in an illegal manner, stealing oil from pipelines and refining or manufacturing it themselves, causing widespread toxic pollution of the environment. Further information on this is found in the section on TNCs.

ACTIVITIES 5.9**The changing Economic structure of Nigeria**

Using the graph what has happened to primary, secondary and tertiary % share of GDP OVER TIME?

- Primary:
- Secondary
- Tertiary:

CONTRAST the % share of GDP with the % workforce in each sector in 1999.

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Should Nigeria be more developed than it currently is?

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5.10 The role of transnational corporations (TNCs) in relation to industrial development.

A **Trans National Corporation (TNC)** is a company that has operations (factories, offices, research and development, shops) in **more than one country**. Many TNCs are large and have well-known brands. Often TNCs have their headquarters and areas of research, development and product innovation in the country they start in, and manufacturing and factories in other countries (often poorer ones to take advantage of cheaper labour and environmental costs).



Shell

GlaxoSmithKline

elf



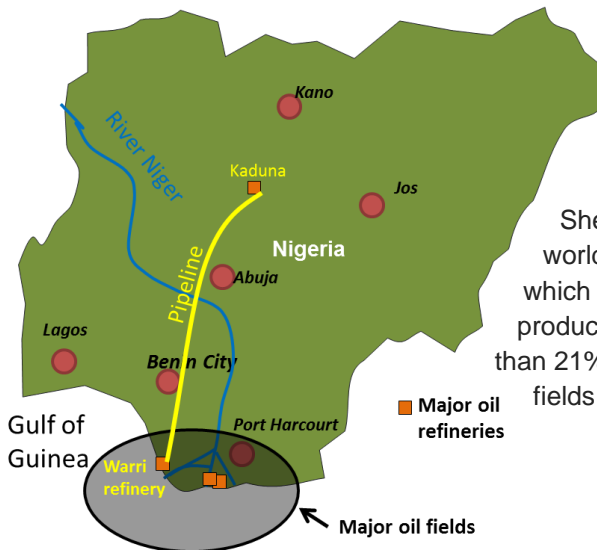
Volkswagen



MICHELIN



**TNCs
operating
in Nigeria**

Oil production in Nigeria

Nigeria is

attractive to many TNCs because of the large market on offer and lower labour costs.

Shell in Nigeria

Shell is a massive TNC that operates in many countries around the world. Extracting the oil is a primary industry but Shell also refine the oil which is a secondary manufacturing industry and they also sell the finished products which is a tertiary service. Shell's work in Nigeria produces more than 21% of the country's total petroleum production from more than eighty fields. Shells bring positives and negatives to the country.

Advantages and disadvantages of TNC(s) to the host country

There are many positives and negatives of Trans National Corporations for a country like Nigeria. TNCs like Shell **provide jobs** in factories making supplies and in services where the products are available for sale, and they do try to **clean up** after they accidentally damage the environment. TNCs often have **charities** to help people in the country they work in. Shell has the Shell foundation to help sustainability and biodiversity and help local communities. The main advantage is that TNCs can help countries develop by **investing money** ENCOURAGING DEVELOPMENT. Shell has spent \$12 billion in LICs for example. This also means that **TNCs pay tax** which can be used by the governments of countries to help their people. Shell paid £20 billion in corporation tax in 2013 for example. Finally, oil refineries like those in Nigeria **use lots of local companies** to help them run. This creates a multiplier effect and TNCs allow the import of new technologies into a country, improving it.


However, sometimes TNCs come in for criticism. Their activities have **polluted the environment** in the past. Shell has had many incidents involving oil spills for example. TNCs have been accused of **human rights abuses** in the past. Shell have been accused of crimes against the Ogoni people in the Niger Delta (see case study box). In addition, **employees in LIC's are working for long hours** (e.g. 12+ hours) in **poor conditions** (in factories known as "Sweat Shops"). Also, employees in LIC's might be paid much less than employees in HIC's for doing higher intensity jobs. Some TNCs have even been known to use **child labour** in their factories. In addition, the jobs in the LIC's are not secure. They could lose their jobs without warning if company decide to set up somewhere cheaper. The **profits from the production go straight to the headquarters in the HIC**. They aren't reinvested in the *L/C*. Even in HICs, big TNCs like Amazon and Starbucks have been accused of doing everything they can to limit the amount of tax they pay by playing the system.

CASE STUDY: HUMAN RIGHTS VS. OIL

The Niger Delta contains Ogoniland, home to a community that fought back against Shell. Shell has extracted \$30billion worth of crude oil from the land of the Ogoni people since the 1950s. Oil revenue makes up 75% of the Nigerian economy and ½ of that comes from Shell. This has had consequences for the Ogoni people, many of whom live without electricity or running water, who see none of the oil profits and have to live with the poisoning of land and water from pipelines, oil spills and gas fires.



Ken Saro-Wiwa (pictured), organised the locals into the Movement for the Survival of the Ogoni People (MOSOP) who used non-violent protest methods against the power of Shell. The protest movement were attacked, killed and mutilated and some people blamed the government for this. The military Government made their intentions clear and Ken Saro-Wiwa said on May 10 1994 – *“This is it. They (the Nigerian army) are going to arrest us all and execute us. All for Shell”*. On May 22nd 1994 Ken Saro-Wiwa was arrested on a murder charge, he told the tribunal “I and my colleagues are not the only ones on trial. Shell is here on trial....The company (Shell) has indeed ducked this particular trial but its day will surely come”. Despite massive pressure from Germany, France and Australia, Saro-Wiwa was hanged with 8 other protestors in 1995. John Major (the then UK prime minister) declared it as indefensible.



ACTIVITIES 5.10

Is Shell a positive force In Nigeria? Discuss this with reference to both sides of the argument

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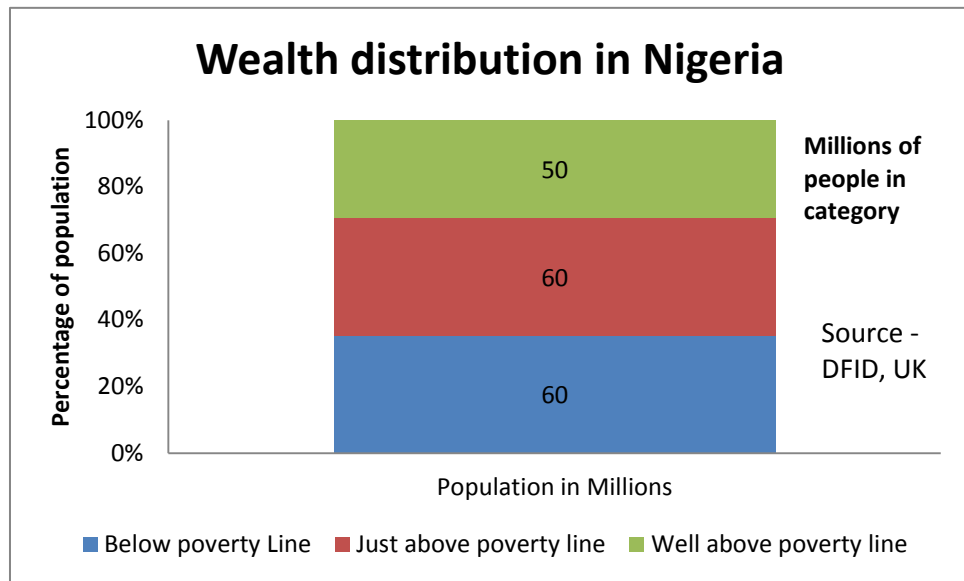
5.11 International aid: types of aid, impacts of aid on the receiving country

Nigeria is Africa's largest economy, but it is not a rich or equal country. Oil exports provided £30.9 billion of government money in 2012, but per person this brings in only £183 per year. The fact is that Nigeria is still heavily reliant upon foreign aid

The issues in Nigeria

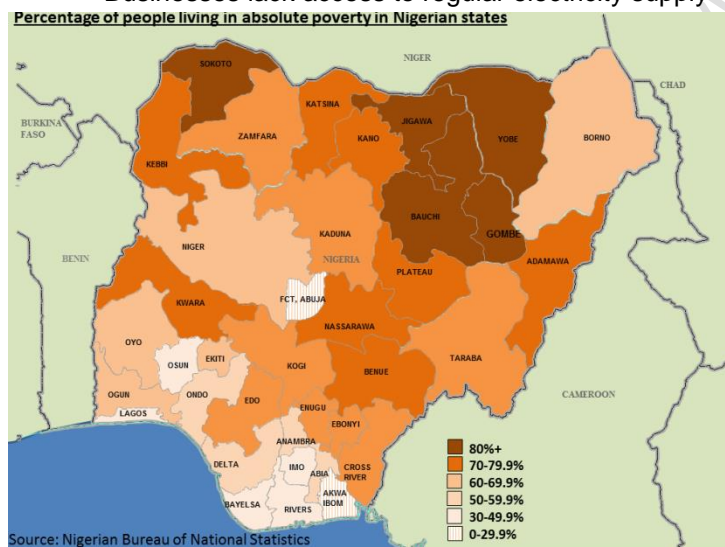
The country is Africa's most populated, with an estimated 170 million people. New estimates show that approximately 60 million people live below the national poverty line, and a further 60 million people live not far above it.

More than 60% of those living in poverty are in the north and more than three quarters are estimated to be in rural areas.



Other issues include

- Nigeria now has 15% of the world's children out of school and 10% of the world's child and maternal deaths.
- Many girls and women are excluded from opportunities: only about 57% of girls in northern Nigeria attend primary school, and less than 1 in 4 moves on to secondary school.
- Businesses lack access to regular electricity supply



- Lack of financial services limits people's ability to start businesses
- Agriculture is the main job for many but it is not very productive so Nigeria has to import food
- Terrorism occurs in the North, with Boko Haram making repeated attacks since 2012
- There are outbreaks of violence and protest in the Niger delta to the south based around access to oil wealth

Aid to Nigeria – what the UK does to help

In 2013 the UK became the first G7 country to meet the United Nations target of spending 0.7% of gross national income on international development via aid.

The Department for International Development of the UK Government believe that a “*peaceful, more democratic and prosperous Nigeria, meeting the basic needs of its citizens, is possible within a generation.*” This is where it has focussed its aid.

Nigeria will get £1.14 billion of UK overseas aid over the five years from 2013

How UK aid money is spent in Nigeria

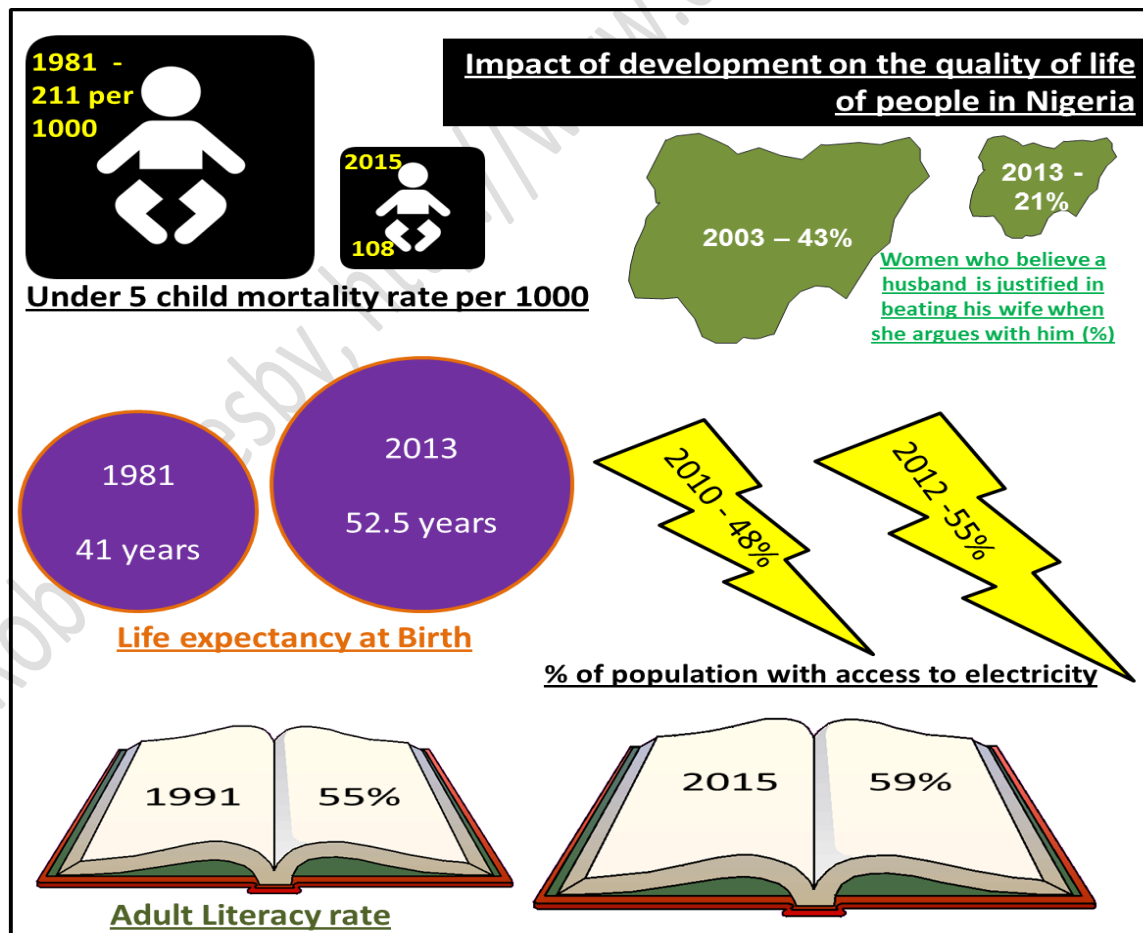
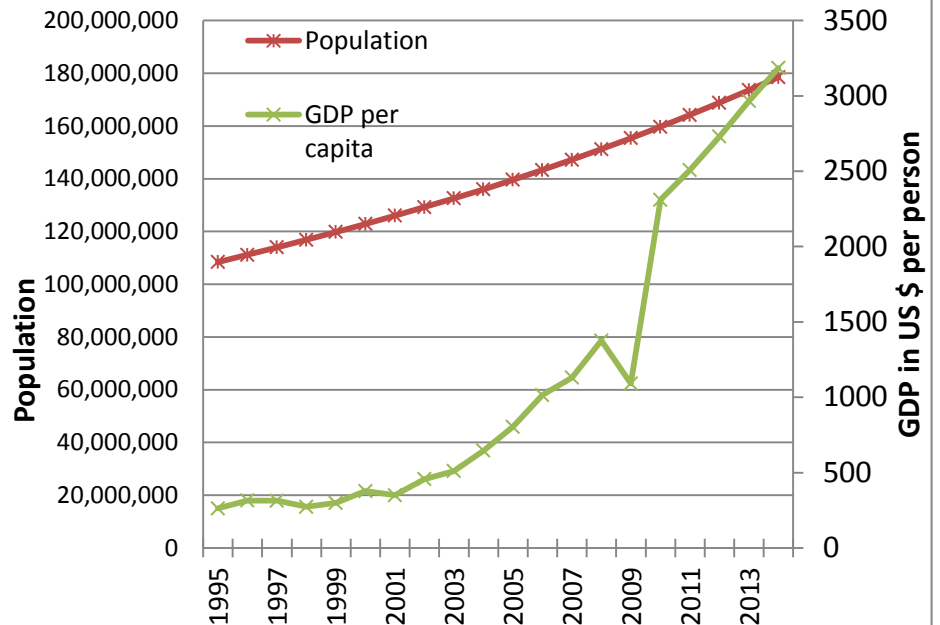
Development area	Indicator	How successful?(2013-2014	Cost (2014-15)
Governance	Number of people voting in Nigeria's national elections.	40 million people voted in the 2011 election, 5 million more than in the last election	£71.6 million (includes security too)
Wealth Creation	Number of poor people whose income increase by between 15% and 50% due to DFID projects.	515,708 poor people with incomes raised above 15% estimated 98,000 women.	£43.3million
	Number of people with access to formal financial services.	10m more people have access of which 4.1m are women.	
Health	Number of births delivered with skilled health personnel in targeted sites in northern Nigeria.	500,000 delivered	£100 million
	Number of insecticide treated malaria nets distributed with DFID support.	10 million nets given out	
Education	Number of additional children receiving education in Nigeria.	481,000 additional children (48% girls)	30.8 million
Water and sanitation	Number of people using safer water and living in open-defecation free villages as a result of DFID support.	5.5 million (50% girls and women)	£6.9 million
Poverty and vulnerability	Number of pregnant women and unique under five children reached by DFID supported nutrition programmes in northern Nigeria.	4.3 million women and pregnant mothers	£3.8 million

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5.12 How economic development is improving the quality of life for the population.

Nigeria is improving slowly as a country, its GDP is growing and as it does so, so do certain parts of the quality of life of the people. As can be seen from the graph opposite Nigeria's GDP has grown massively over the past 15 years and Nigeria is now classified as a Newly Emerging Economy and a middle income country by the World Bank.

The info graphic below shows how some of the development indicators are improving in Nigeria. However, don't forget that the pace of change is slow and that Nigeria remains a deeply divided country in terms of wealth and quality of life. The poorest people in Nigeria can be counted amongst the poorest in Africa, whilst the wealthiest control much of the money and resources within the country.

A graph showing the population and GDP of NIGERIA over time

ACTIVITIES 5.12

Look at the graph on page 31. Describe the patterns in GDP and population over time

Look at the infographic; has quality of life for Nigerians improved? Use data to support your response

[illegible]

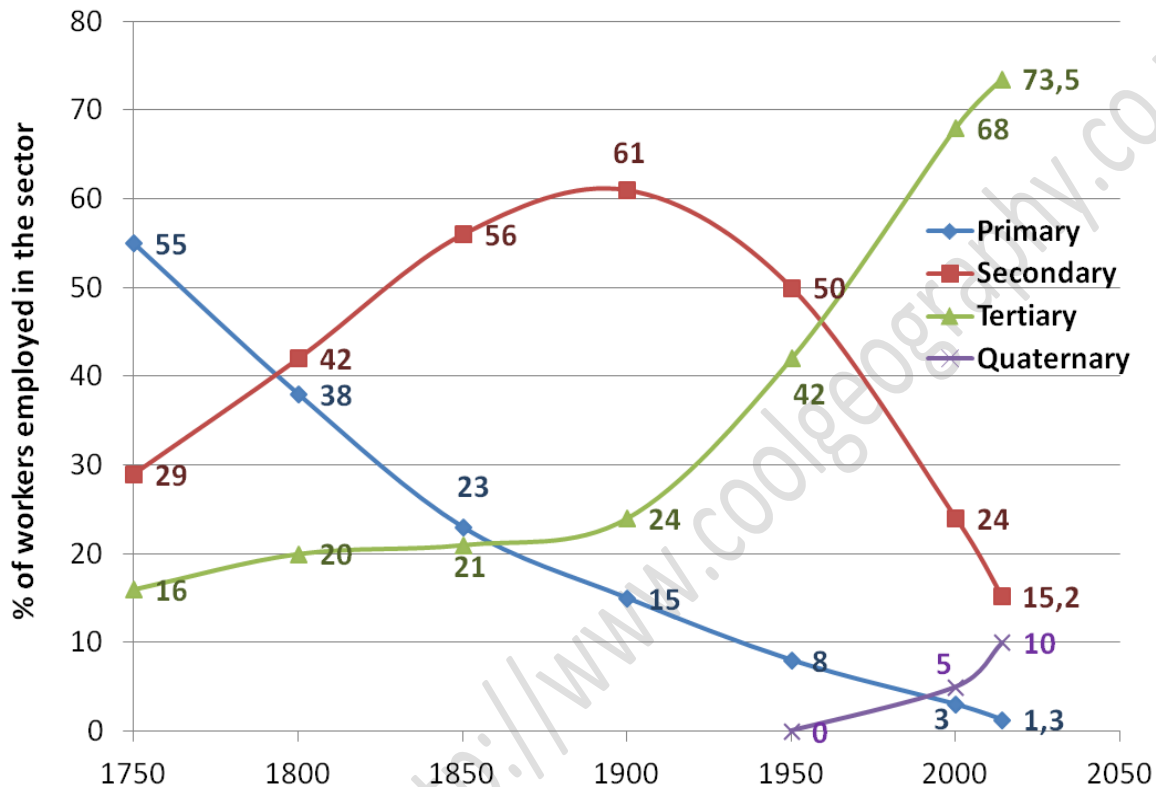
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Major changes in the economy of the UK have affected, and will continue to affect, employment patterns and regional growth.

5.13 Reasons for the changing economic structure of the UK

Changes in employment structure in the UK over time



The economy of the UK has changed dramatically over time. The graph above shows that over time;

1. **Primary industries** have **declined** rapidly
2. **Secondary industries** experienced a period of **growth** during the industrial revolution **and** has been in **decline** since the turn of WWII
3. The **service industries** have **grown massively** in importance and is the dominant industry in the UK economy today
4. A new sector of industries, the **quaternary industries** in which research and development takes place, has emerged and is **growing rapidly**.

These reasons for these changes in the UK are complex and will affect which job you eventually get! Many of the reasons are because of globalisation, deindustrialisation and government policies.

Globalisation

Globalisation is the process which has created a more connected world, with increases in the movements of goods (trade) and people (migration & tourism) worldwide. This process has had a big impact on the way in which the UK's economy works.

For example, many factories in the UK have shut down and production has continued in low income countries, which have less educated workforces, limited health and safety or no minimum wage laws. This makes costs cheaper. In addition, manufacturing industries in the UK are less productive than in other countries. Newly Emerging Economies like China opened their countries to global business in the 1980s and many UK firms chose to move there.

In addition, the UK has a highly educated workforce who can work in global industries. In 2013 nearly 50% of young people in the UK entered university, and results in a very high demand and high aspirations for graduate level jobs often in services and the quaternary sector.

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Deindustrialisation

Deindustrialisation is the decline of a country's traditional manufacturing industry due to exhaustion of raw materials, loss of markets and competition from NEEs. This means it is tied in with globalisation. One of the causes of deindustrialisation is mechanisation (the use of machines). As this has taken place businesses and farms began to replace many workers for machines as they are generally more reliable and cheaper to run. In addition, many of the UK's secondary industries like armaments manufacture and coal heavily polluted the environment. As the UK and EU have very strict laws for environmental pollution for businesses, this makes it expensive to make products here.

Government policies

Government Policy is a plan or course of action decided by a government to manage issues in a country. This has also resulted in a change in the types of jobs people do in the UK. For example;

- Some primary industries have declined because of laws and treaties – fishing is limited by quotas imposed by the European Union. Policies limiting fishing and helping farmers mechanise cost jobs in primary industries.
- The UK Government in the 1970s and 1980s sold or turned many of its secondary and primary industries to companies in a process called privatisation. This cost many jobs in steel making and coal in particular.
- Many UK governments have invested in the “knowledge economy” rather than primary and secondary industries

There are other reasons, for example some resources such as iron ore and coal have declined in availability in the UK or become uneconomic to mine, so employment declined. Economic reasons are also very important; the average annual wage of a farmer in the UK is £9000 or less, making this an unlikely occupation for a highly educated skilled workforce.

ACTIVITIES 5.13

Look at the graph on page 33. Describe the change in UK employment structure over time

Which employment area (P,S,T or Q) would you and your friends like to work in? What is your/their dream job? Why?
What does this mean for the UK?

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5.14 The Impact of industry on the environment

Industry can have various impacts upon the environment depending upon the type of activity taking place. Modern high technology industries tend to have lower impacts upon the environment than older traditional heavy industries such as the manufacture of steel or the production of chemicals.



Chemical Industries at the Wilton Chemical Plant, East Middlesbrough

Industrialisation is important for the economic growth and development of a society but can also be harmful to the environment. Amongst other things industrial process can cause climate change, pollution to air, water and soil, and health issues.

Air Pollution

Industry is a major cause of air pollution, since the operation of factories results in the emission of pollutants. Minute particles called particulate matter are damaging when breathed in, sulphur dioxide (SO₂) and nitrogen oxides (NO_x) can cause acid rain and CO₂ can cause global warming. These pollutants and others can both harm public health and damage the environment.

Wastewater

Industries use a lot of water and produce a lot of waste water too. Waste water is called **effluent** and can come from industrial outlets, treatment plants, and sewers. This waste water **pollutes underground reservoirs of water and our rivers**, damaging wildlife and ruining potential drinking water. In the North east of England Salmon disappeared for many years from the major rivers because of poor water quality.

Land Pollution

Heavy industries use lots of land and often deal with very **hazardous chemicals**. These were dumped on industrial sites in the past, or industries suffered leakages onto the land and soil. Examples of soil pollution sources are oil refineries and pipelines transporting gas, oil depots, gas stations, garages, metal treatment and coating factories, chemical plants, dry cleaning businesses, printing businesses, the textile industry, and sites where hazardous materials are stored.

These sources of pollution can cause serious damage, and added to this there is the potential for marine and coastal pollution too. Finally, large industries pose problems because they are noisy. Frequent or prolonged exposure to loud noises is not only a nuisance, but can cause damage to a person's physical and mental health.

EXAMPLE - TEESSIDE

Teesside is a large conurbation in the North East of England. It has one of the largest industrial concentrations in the country and is home to chemical and manufacturing industries. Its development started in the 1850s because;

- Natural resources were locally available - ironstone in the Cleveland hills, Limestone in the Pennine Hills and coal in the Durham coalfield. All 3 items needed for steel making.
- Salt rock was also available for the chemical industries

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- The area has a deep water port – good for the import of raw materials and finished goods like ships, steel and machinery
- Large areas of flat land on the flood plain of the river Tees
- Available water from the sea and river Tees for cooling processes

All these factors meant that Teesside boomed in the 1960s, with a massive integrated steel plant in Redcar and huge chemical industries at Billingham and in Wilton east of Middlesbrough. Kielder water was even created in Northumberland to guarantee water supplies.

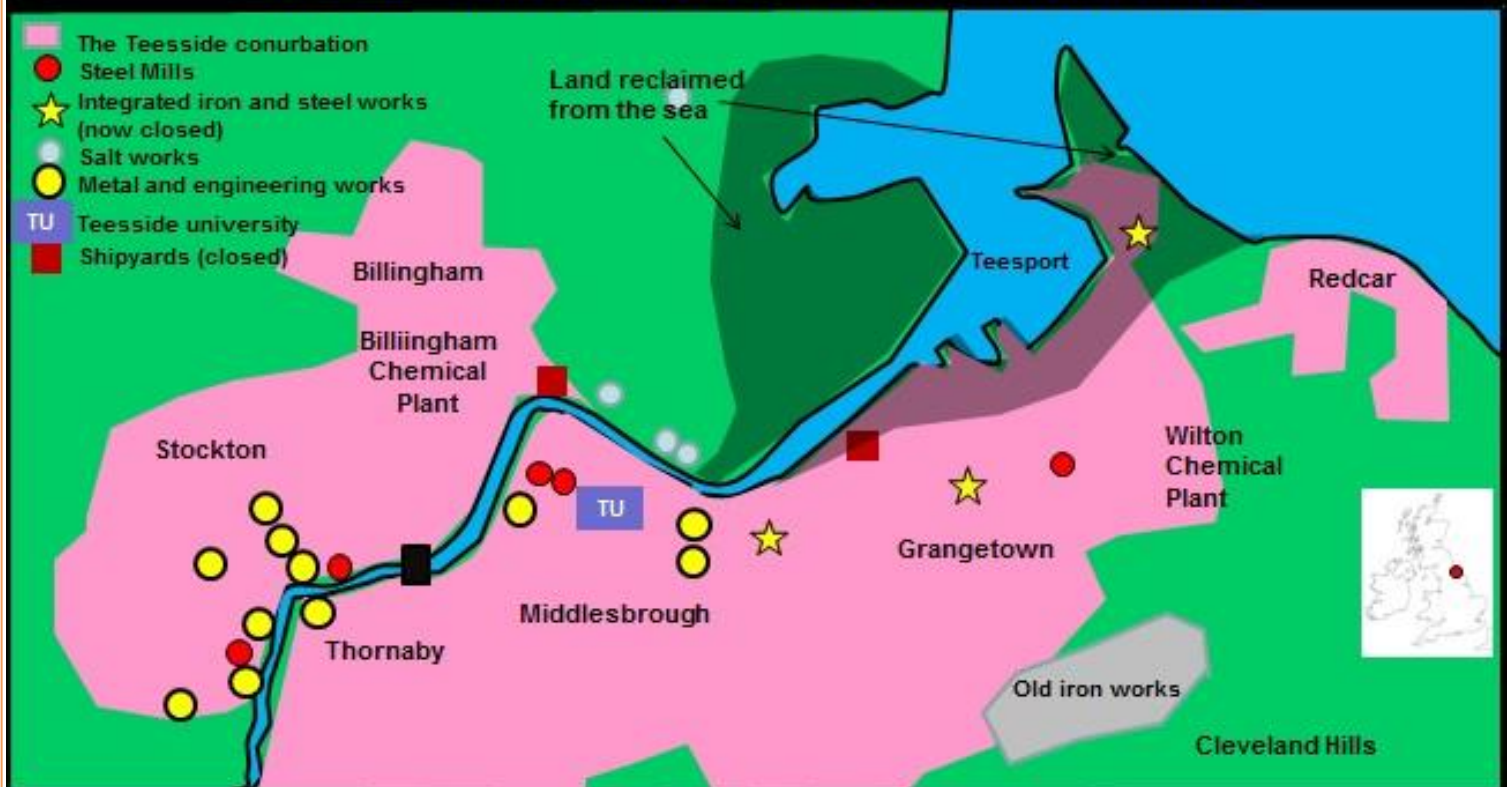
However, the 1980's saw the decline of secondary industries.

1. Changes in oil prices hit the chemical industries hard
2. Steel making came under increasing competition from cheaper overseas producers. The Massive Redcar works was shut (again) in 2015 after the Thai owners SSI, pulled out blaming higher energy costs and unfair competition from producers in other countries.
3. Shipbuilding was out competed too.

The area now suffers from high unemployment, out migration of skilled workers and a decline in population of major urban centers like Middlesbrough. The land has also been polluted and the locals are derogatively called “smog monsters” by others in the North East, a reflection of the poorer air quality in the town.

Recently Teesside University has provided a boost for the town and its renowned IT department has resulted in the start-up of many new high tech IT businesses. Water quality has also been improved by the creation of the Tees Barrage, a dam across the Tees.

Teesside – heavy industry and a post-industrial future



ACTIVITIES 5.14

Produce a revision mind map on how Industry can affect the environment, consider the land, air and water on your mind map.

Read through the information about Teesside on pages 35 and 36. Look also at page 38. What is the future for heavy industry areas like Teesside in the UK? How can they adapt to the new economy of the UK?

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5.15 The UK's post-industrial economy

The UK has a changing economy. The manufacturing or secondary industry section of our economy is in decline, and a smaller percentage of our GDP and employment comes from manufacturing. The UK is moving towards a post-industrial economy, where the focus of our economy is not on the making of traditional manufactured products (although this is still an important part of our economy) but on products based on knowledge and research. This is known as the KNOWLEDGE ECONOMY.

In the UK (as in other parts of the world this involves the development of;

- **Information technology** - these businesses use computers and other hardware to store, process and use data, often to help businesses and governments.
- **Service industries** – these are businesses that do work for a customer, and sometimes provides goods, but is not involved in manufacturing
- **Finance** – the financial services industry is a major part of the UK and especially London economy. They provide services to do with money, such as accountancy, money transfer, trading and credit.
- **Research** – these industries involve research and development, where ideas are transformed into workable products.
- **Science and business parks** – Business Parks are purpose built areas of offices and warehouses, often at the edge of a city and on a main road. Science parks are often located near university sites, and high-tech industries are established. Scientific research and commercial development may be carried out in co-operation with the university.

KEY WORDS

- **Post-industrial economy** - The economy of many economically developed countries where most employment is now in service industries.
- **Deindustrialisation** - The decline of a country's traditional manufacturing industry due to exhaustion of raw materials, loss of markets and competition from NEEs.
- **Sustainability** - Development that meets the needs of the present without limiting the ability of future generations to meet their own needs

Many of these 5 industries can work together, and they have some common characteristics;

1. They are often **footloose** – they are not tied to heavy raw materials so can locate wherever they have a cost advantage.
2. They often locate **close to transport routes** such as motorways and railways stations to offer maximum access for customers and employees
3. They are dependent upon **HUMAN RESOURCES** – they need people's ideas and skills to make them work and innovate new products and ideas. They therefore require a highly educated work force
4. They are often **more sustainable** than heavy industry, with lower energy needs, low or zero air pollution emissions, landscaping to offer a nice environment and carbon neutral buildings.
5. They often **group together** so that ideas can be exchanged – this is known as **agglomeration**



There are many of these types of industry across the country, from silicon Fen near Cambridge to Silicon Glen in Edinburgh. Newcastle upon Tyne is also bidding to become a “science city” with a focus upon the science of ageing, sustainable energy and transport. Cambridge has a huge number of high tech firms and business parks, with many having links to the various colleges of Cambridge University.

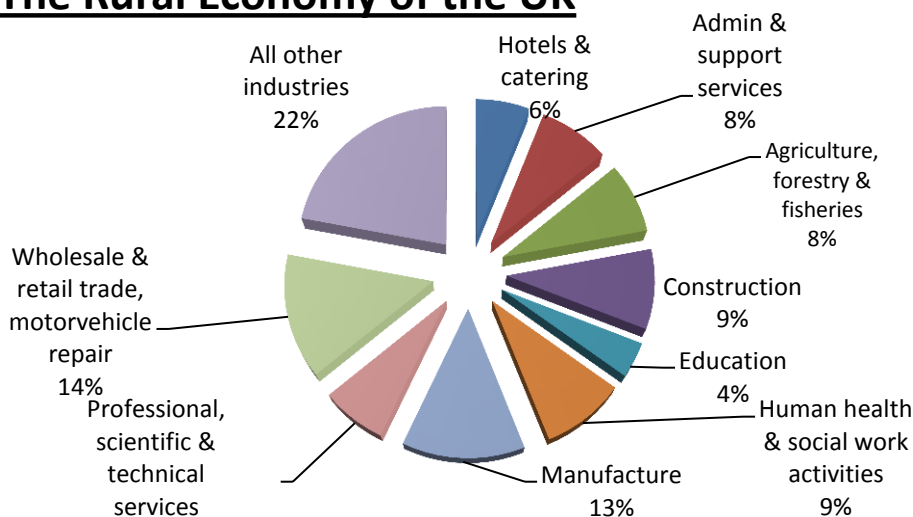
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5.16 Social and economic changes in the rural landscape in one area of population growth and one area of population decline

A rural area in the UK is defined **as an area with a population of less than 10,000 people**. Villages become “towns” as soon as they pass this figure. Generally, a **rural area is usually defined as one that is relatively sparsely populated and either left as wilderness or with farming as a major economic activity**. We often describe rural areas as countryside. Opposite is a selection of image results from a web search on “UK rural areas”.



Rural areas have many characteristics, and although many people view them as countryside area where farming is the main economic activity, this is no longer the truth. There are a huge number of economic activities in rural areas as the pie chart opposite shows, and rural areas can thrive in the right circumstances.

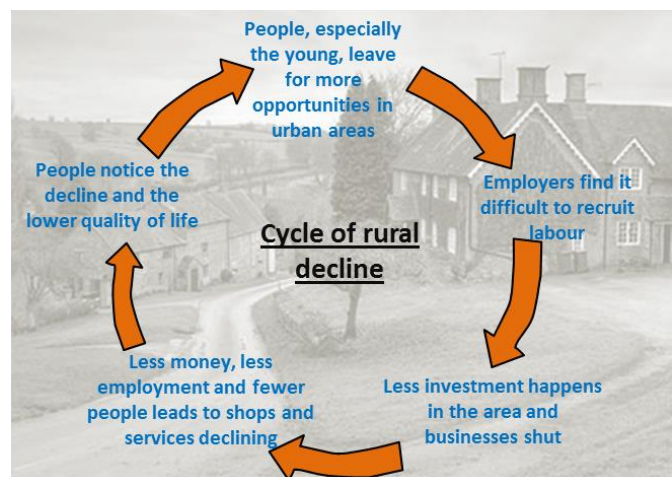
The Rural Economy of the UK**Rural Population Growth**

Generally, rural areas in the UK that are close to major centres of population such as towns and cities have experienced population growth. These areas are known as **ACCESSIBLE RURAL** as they are well connected to cities via roads and other transport links. This allows for **COUNTER-URBANISATION**, where people move to rural areas to improve their quality of life but **COMMUTE** to cities for their jobs or **HOME WORK**.

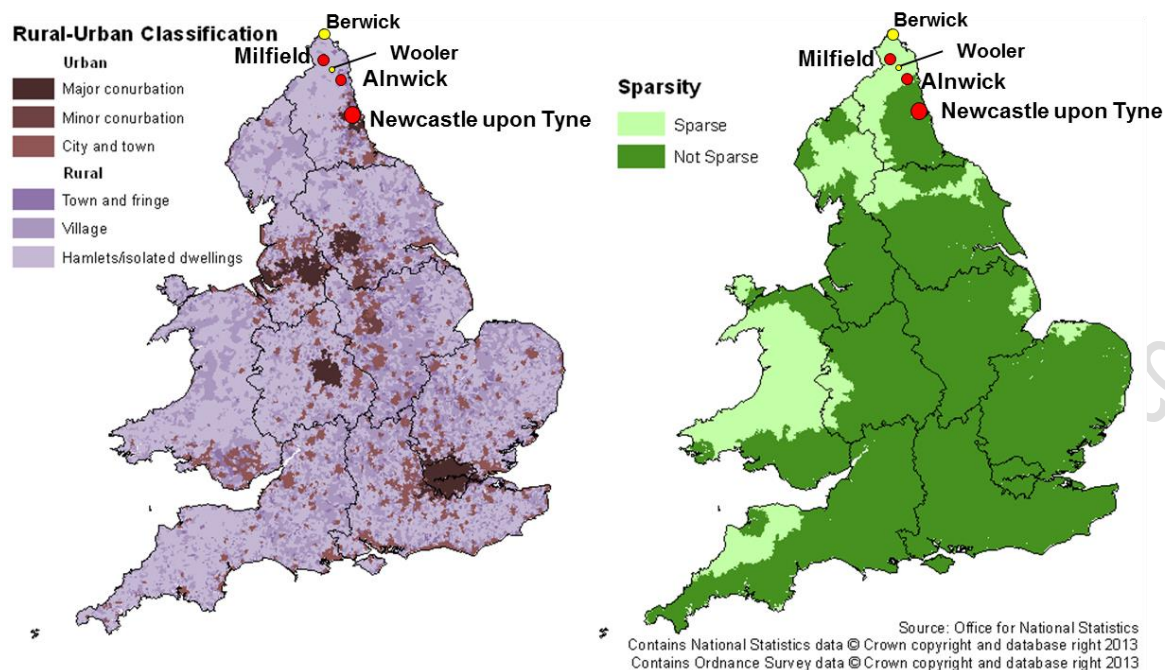
Rural population decline

Rural areas which have a decline in population have been in **REMOTE less accessible areas** far from major towns and cities. In these less accessible rural areas many of the younger population move out. The reasons for this are known as push factors, and for the young people are the shortage of jobs and a lack of social life.

If population shrinks or the population ages then the **SERVICES available could decline**. Shops and post offices become less profitable because of rural depopulation. Bus services may decline leaving the elderly cut off. This can result in a cycle of rural decline.



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**ACTIVITIES 5.16**

Look at the maps above, where do Milfield and Alnwick fit in terms of the Rural-Urban classification and Sparsity?

	Rural-Urban classification	Sparsity
Alnwick		
Milfield		

Look at the information on page 41.

What problems does Milfield face in the long term?

How would you manage those problems?

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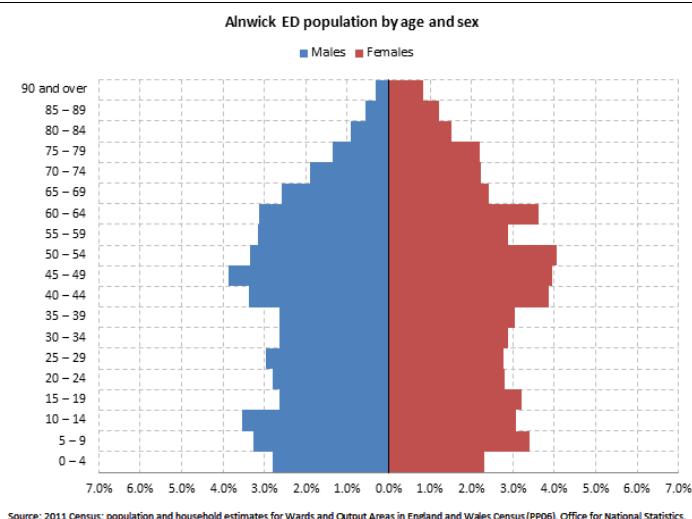
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Examples of social and economic changes in rural areas – NORTHUMBERLAND

Northumberland is the northernmost county of England, has the lowest population density of all the counties of England and contains a variety of environments. The south of the county contains many old industrial towns, many of which are commuter towns for Newcastle-upon Tyne. Towards the north and North West the area becomes more rural, changing from accessible rural to remote rural.

Rural population growth - Alnwick

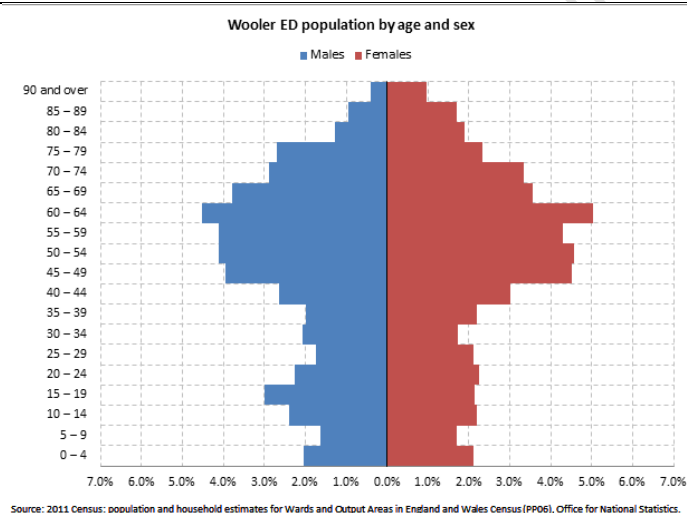


Population grew from 7,800 in 2001 to 8,100 in 2011. It is just in a rural accessible area and is connected to Newcastle and Edinburgh by the A1.

The population of Alnwick is healthy by Northumberland's standards with reasonable numbers of people of working age and children. It has schools at all levels and people can either work in Alnwick or **commute** (the town is a commuter town and rural centre) to Morpeth or Newcastle, via bus links, rail in Alnmouth or the A1.

Broadband increases accessibility for people and new housing estates and new factory and trading estate developments have been added along the roads to the south of the town.

Rural population decline - Milfield village in Wooler census ward



Population was only 315 in the 2011 census, and the village is a remote rural area.

The town suffers from population ageing as shown by the population pyramid. The lack of young people is also clear. This puts lots of pressure on social services needed to serve the elderly.

This has also resulted in the loss of services and job opportunities. The post office shut at the start of 2013, the primary school closed at the end of the 2013-14 academic year with only 7 pupils enrolled. Locally, the maternity ward in nearby Berwick was closed to save money. The local shop is also under threat. ([source](#))

5.17 UK developments in infrastructure

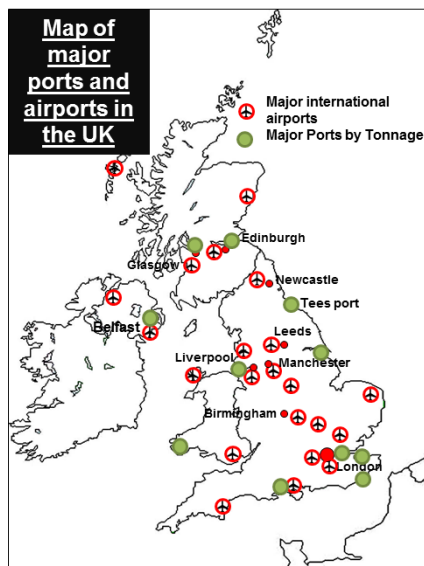
Infrastructure is the stuff that makes a country work. It is the **basic equipment** and structures (such as **roads and bridges**) that are needed for a country, region, or organisation to function properly. It is really important for the UK to have excellent infrastructure if it is to deliver a good quality of life for the people living there and to allow its businesses to compete across Europe and the world. The Government of the UK stated in 2013;

“The Government is determined to succeed in the global race by creating growth and delivering lasting prosperity. To build a strong economy, necessary for a fairer society, the UK needs infrastructure that competes with the best in the world. Long-term investment in infrastructure helps enhance productivity and creates jobs. It also means the UK is ready to face new challenges such as population growth and climate change and take full advantage of new technologies. The UK needs transport and communications networks that connect people and businesses; resilient, cost effective and sustainable energy supplies; and the science infrastructure which can give UK industry the edge over our competitors. 21st century infrastructure is needed for a 21st century Britain.”

There are many ways in which we can improve our infrastructure and the exam board ask you to focus on ports, roads, rail and airports.

ROADS

Our roads are going to get significant amounts of money. Extra lanes can be added to the busiest motorways, the equivalent of at least an additional 221 lane miles in total by opening the hard shoulder to traffic and using new technology. The government will also build all available Highways Agency road projects to tackle the most congested parts of the network, including the A14 from Cambridge to Huntingdon and the M4 from London to Reading



PORTS

There is also big investment in our ports. Ports are vital ways for the UK to get the resources and products it needs to function as a major country. For example, the **London Gateway** is a development on the north bank of the River Thames in Thurrock, Essex. It is just 20 miles (32 km) east of central London and has a new deep-water port, which is able to handle the biggest container ships in the world.

The port also has one of Europe's largest logistics parks, providing access by road and railways to London and the rest of Great Britain.

AIR

Airports connect the UK to the world. Heathrow and Gatwick are our major airports, and act as “hubs” allowing passengers to connect to the rest of the world. There is a proposal to **expand**

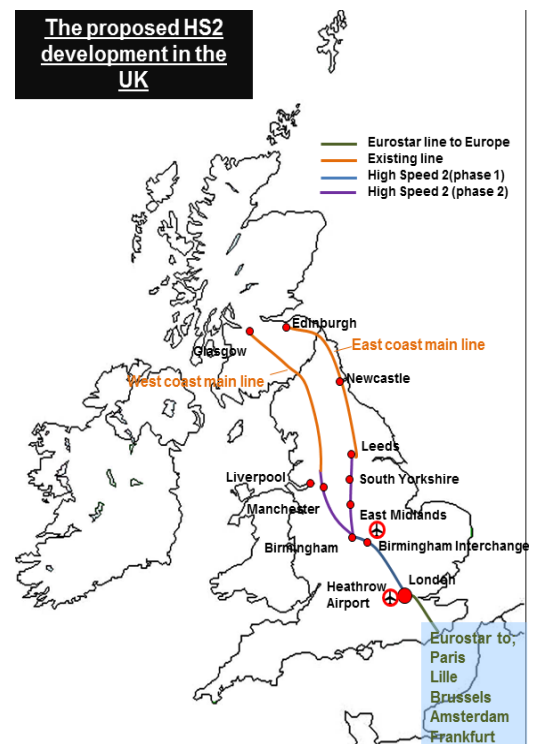
Heathrow and add a third runway and sixth terminal building. There are many economic and social benefits to this but it would be damaging for people locally and for the environment.

Rail: High Speed Rail 2

HS2 is a major transport project designed to improve rail journeys in the UK and is split into 2 stages;

- The first phase between London and Birmingham will open in 2026.
- The second phase involves adding a V shaped section, with separate lines going from Birmingham to Manchester and Leeds.

The objective of the scheme is to reduce journey times between the cities of the Northern part of England, and also to reduce the journey times to London. The idea is that businesses will function better with less loss of time



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spent travelling. The table below summarises the arguments that surround this massive project;

Argument	Reasons for	Reasons against
It will help bridge the north-south divide	The rail link could act as a way of growing industries in the North. The government expects 70% of jobs created to be outside London.	Some professors say that similar projects in France, Spain and South Korea show that it is capitals that benefit from these projects by sucking more wealth to the centre, in this case, London.
The final bill could be very expensive	The UK Government normally invests £50bn a year in projects like this. This project is spread over 20 years so equates to just 10 months of that budget.	The original price for HS2 was £32.7bn but the government added a further £10bn to a maximum of £42.6bn. Rolling stock (the trains etc.) is expected to cost another £7.5bn.
It will help boost the UK economy	<p>HS2 is expected to generate 22,000 construction jobs in the next five years and once the entire line is running create 100,000 jobs.</p> <p>It should also increase the UK's GDP by £15bn a year - an increase of 0.8%.</p> <p>Better transport connections like HS2 mean reduced production and transport costs, higher productivity and greater competition between UK regions.</p>	The HS2 Action Alliance, which campaigns against the project, says there is no independent research backing up the £15bn figure. The money could be used to boost businesses in other ways.
The demolition of homes and damage to rural England is too costly and disruptive	<p>Most of the disrupted homes are not in rural areas but are actually in London. The most disrupted area in the country will be to the north of London's Euston station. More than half of the properties affected by the scheme are here.</p> <p>Only just over 600 homes will be bulldozed and another 340 homes will be cut off from their wider neighbourhood by the project. Home owners affected will get money as compensation.</p> <p>HS2 limited have added more tunnels and moved the location of parts of the line to minimise the number of people affected</p>	<p>Infrastructure supporting the line will be built on 250 acres of green belt land. Sites of special scientific interest will be sliced through by the line.</p> <p>Historic houses in Buckinghamshire and Warwickshire will be demolished or blighted by the new line, campaigners say.</p>
It will be good for the environment	The government claims that HS2 will move millions of air and road trips on to rail. It will open up space on the existing rail network for freight, taking hundreds of HGVs per hour off the roads.	<p>Some experts say that few high-speed train passengers will transfer from air; most users would otherwise have taken normal train services or simply not have made the trip.</p> <p>HS2's 250mph trains will use 50% more energy than the Eurostar trains, the HS2 Action Alliance says.</p>
There are better value projects the UK could spend the money on	The government argues it is doing this anyway. Improving rail journey times between Leeds and Manchester and adding extra lanes to motorways.	One of the strongest arguments against HS2 is the opportunity cost. Spend £50bn on HS2 and that's £50bn gone from other projects. The UK is heavily in debt, public finances are stretched so spending must be carefully prioritised.

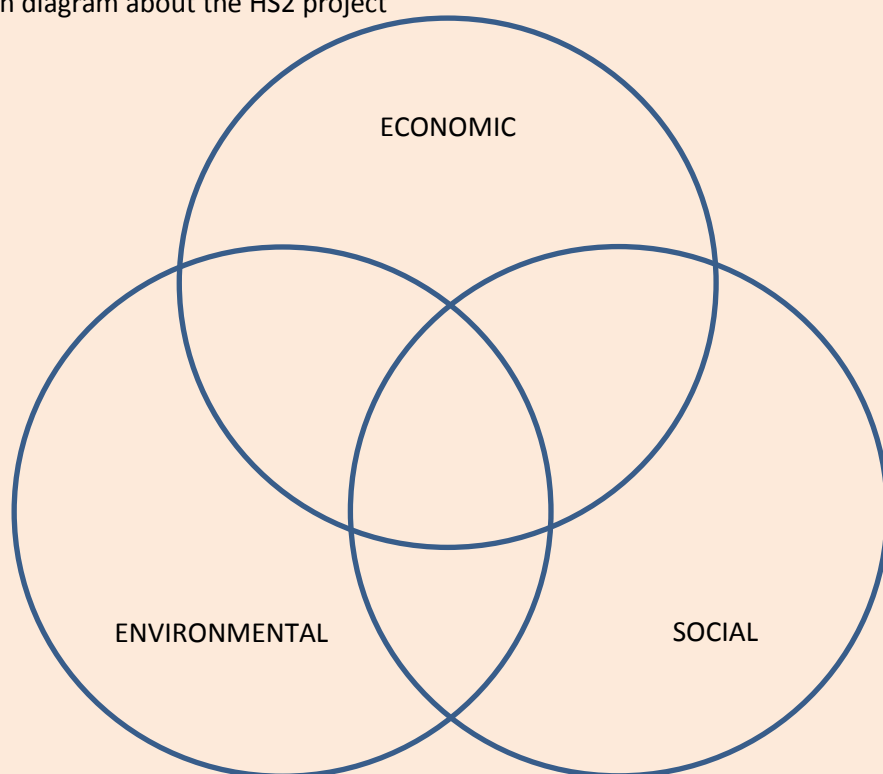
Source: <http://www.bbc.com/news/magazine-24159571>

ACTIVITIES 5.17

Define the term “Infrastructure”

List some major Infrastructure links in your local area

Complete the Venn diagram about the HS2 project



In your view should HS2 be going ahead? JUSTIFY (give reasons for) your view

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5.18 A North- South Divide in the UK?

There is a clear divide in wealth in the UK, some regions and cities are wealthier than others, and the people who live there have a higher standard of living and can even live longer.

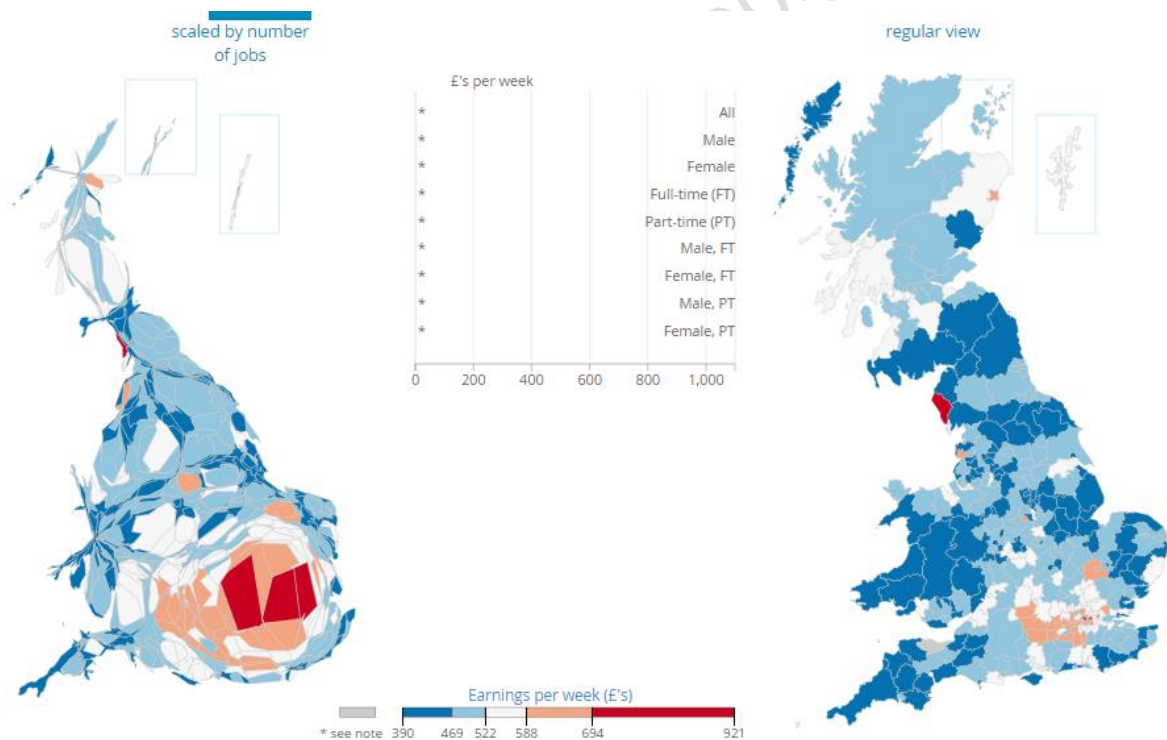
Broadly speaking, there is a North South divide in the UK, the people who live in the South;

- Generally earn more per week
- Generate more wealth for the UK
- Are less likely to be unemployed
- Live longer

However, this is not universally the case. The “rich south” should not really include the south west, London itself has pockets of extreme poverty and the poorer north also has areas of great wealth, such as the oil wealth generated around Aberdeen. Cities also distort the pattern.

London really does dominate the UK’s economy though, and firms AGGLOMERATE there to take advantage of being close to one another. Related industries can help each other and this makes them more productive.

The weekly earnings map below from the Office for National Statistics really does show this divide between the richer south East and the poorer areas elsewhere.



The Northern Power house – “One Agenda, One Economy, One North”

For many decades now governments have tried to iron out the differences between the north and the south. The latest idea (created during the parliaments of 2010 to 2015 and 2015+) is to create a “Northern Powerhouse” of well linked northern cities to match, rival and compete with the economic muscle of London.

The proposal for a Northern Powerhouse is based around linking the regional “core” cities of Liverpool, Leeds, Manchester, Sheffield, Hull and Newcastle. Other regional centres would be integrated such as Cumbria, Lancashire, Cheshire, North Yorkshire and the Tees Valley.

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Linking these urban areas should help industries perform better and help to even out the UK's economy to match that of London and the south east. The main practical areas of the proposal are to;

1. **Improve transport links** between the places, such as motorway developments and railway improvements such as HS2
2. **Invest in science and innovation** as is happening in Newcastle Science Central
3. **Devolve the powers of government**. Here, many of the decisions currently made in London's parliament would be passed on to those Northern cities. This would give northern cities more control on what happens and could help developments be more appropriate to those places. Cities would get their own deals and elected mayors.

Not everyone agrees with the idea however. Some people claim that the plan is too concentrated on Manchester and others question where the money will come from. Supporters of the scheme point to a similar successful scheme in the Randstad region of the Netherlands and that the idea already has a Minister appointed who can link between the powerhouse and the government in London

ACTIVITIES 5.18

Look at the graphic below. Is enough being done to make the Northern Powerhouse a reality? You might want to research this on the internet to get extra ideas for your response.

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Government Northern Powerhouse investments:**£235 million**

Sir Henry Royce Institute for advanced materials research, based in Manchester, with centres in Leeds, Liverpool and Sheffield

£113 million

Cognitive Computing Research Centre in Warrington

£78 million

The Factory Manchester, a new theatre and exhibition space

£20 million

Innovation Hub for Ageing Science in Newcastle

New National College for Onshore Oil and Gas in Blackpool, with centres at Chester, Redcar and Cleveland

Doubling the number of northern cities to benefit from the Government's superfast broadband programme

Private Sector investments planned and underway:**Humber**

£310 million wind turbine technology from Siemens and Associated British Ports

£450 million Logistics and Marine Energy Park from Able UK

£350 million bio fuel refineries from Vivergo Fuels

Liverpool City Region

£350 million Liverpool2 deep-sea container port from Peel Ports

£920 million City Centre retail from Grosvenor Group

Greater Manchester

£800 million Airport City Enterprise Zone

£1 billion East Manchester housing programme from Abu Dhabi United Group

North East

£150 million in Newcastle's marine and offshore sector

£82 million train construction facility from Hitachi

Leeds City Region

£150 million Victoria Gate Leeds city centre

£260 million Broadway Bradford city centre

Sheffield City Region

£400 million Peak Resort, Sheffield city centre

£400 million intermodal freight interchange in Doncaster from Veridion.

Source: HM Treasury, Transport for the North and publically available sources.

5.19 The UK's role in the World

Despite its small geographic area the UK still plays a major role around the world. It does so because of its history, its links with other nations, its cultural excellence and through trade.

Language and culture

The UK is one of the most globalised countries in terms of its culture. According to the Daily Mail *"Britain is the world's only global power - yet it is not the army or economy, but the cultural influence of singers like Adele and literary giants like Harry Potter and Sherlock Holmes which puts us head and shoulders above our neighbours."*



English is the language of many countries, and the main language used for businesses around the world. Our cultural activities have become global brands, and British football clubs have fans everywhere

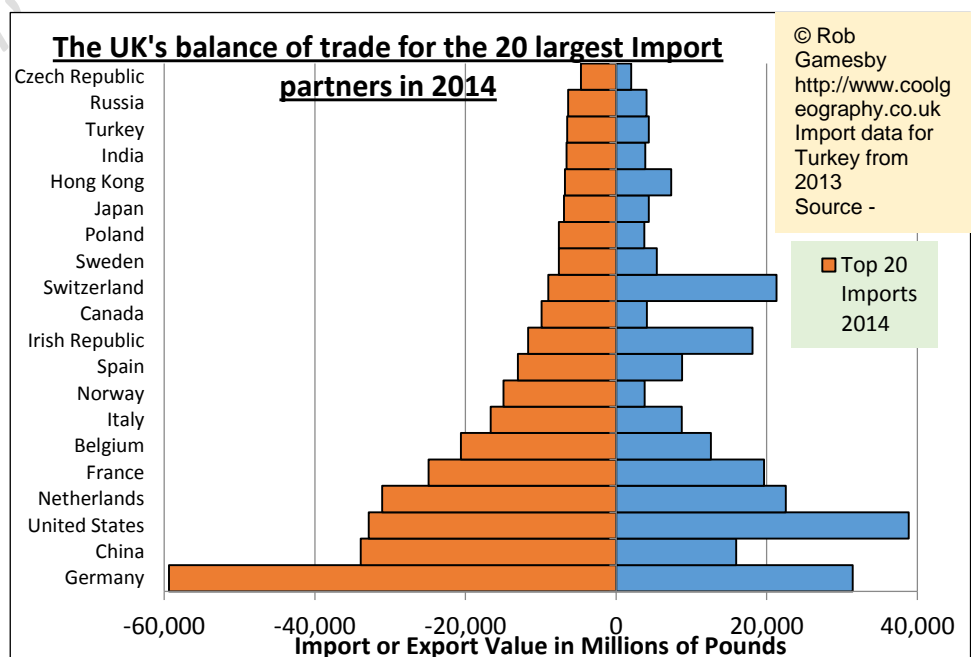
Many British groups, and actors, and TV and radio programmes, are popular around the world. The map above shows countries where English is the official language (Source: https://en.wikipedia.org/wiki/File:English-as-Official-Language_Map.png).

Trade

The UK depends heavily on the trade with other countries. We currently have a trade deficit, as we import (buy in) a higher value of goods than we export (sell out). The figures from 2014 show this;

	Imports	Exports	Balance of trade
European Union	£218.5 billion	£146.8 billion	-£71.7 billion
Out of European Union	£197 billion	£163.8 billion	-£33.2 billion
Totals	£415.5 billion	£310.6 billion	-£104.9 billion

- The UK trades all over the world, but mainly with other EU countries.
- Outside the EU, its main trading partner is the USA. Inside the EU, it's Germany.
- Many British companies are transnational corporations (TNCs) with branches all over the world, e.g. Shell, Vodafone, and Barclays Bank.
- Many TNCs from other countries have set up branches in the UK, like Sony, Coca-Cola, Nike, and MacDonalds.

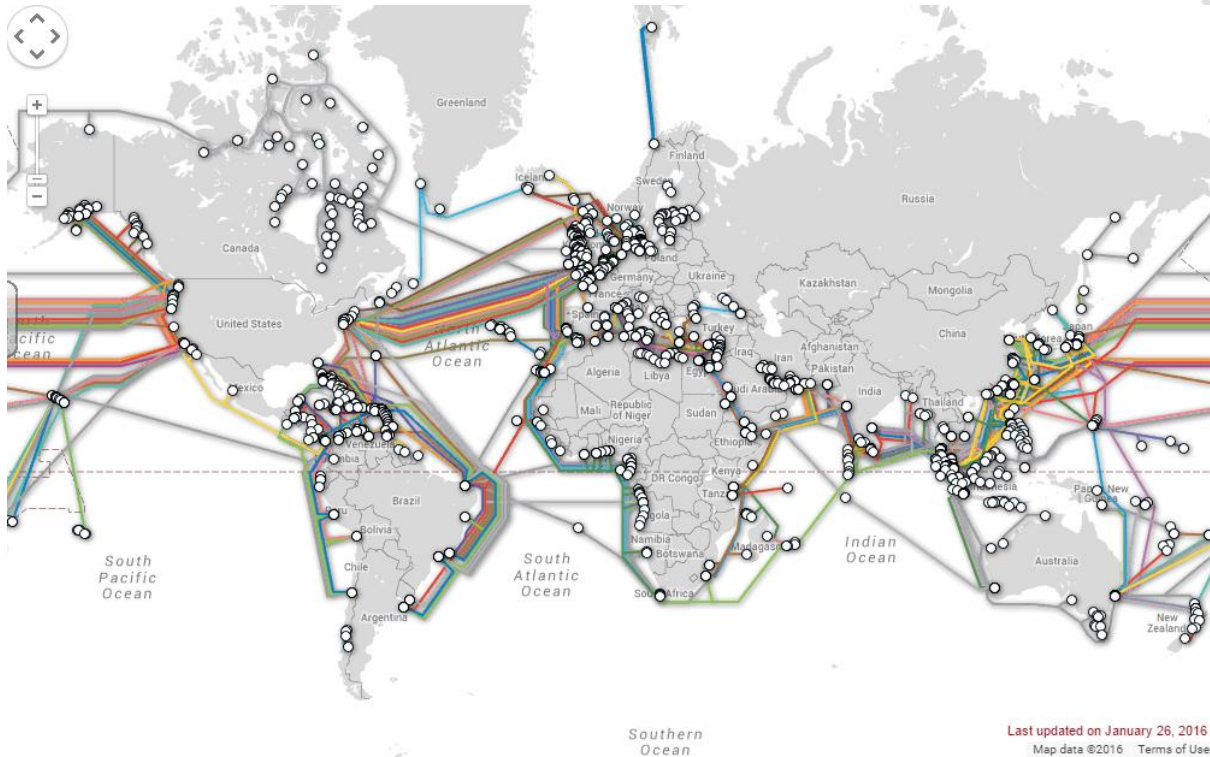


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Electronic Communication

The UK has an extensive electronic communication network not only across the whole country but linking it to other parts of the world. The government wants 90% of the country to have superfast broadband by 2016 and link remote areas of the country via satellite technology.

Globally, the UK is linked up via a vast cable network under the sea. We have cables linking us to North and South America, Europe, Africa. Other cables then link us to other parts of the world.



Source: <http://www.submarinecablemap.com/>

The Commonwealth

The **Commonwealth of Nations** was established in the 1949 by Queen Elizabeth II (the head of the commonwealth) as countries started to declare their independence from the British Empire.

It is an intergovernmental organisation of 53 countries, that were mainly territories of the British Empire.

In the London Declaration of 1949 all member states of the Commonwealth were declared free and equal.

The members of the commonwealth have no legal obligation to each other. They are linked together by history, culture, language and 3 shared values: democracy, human rights and the rule of law.

Commonwealth facts:

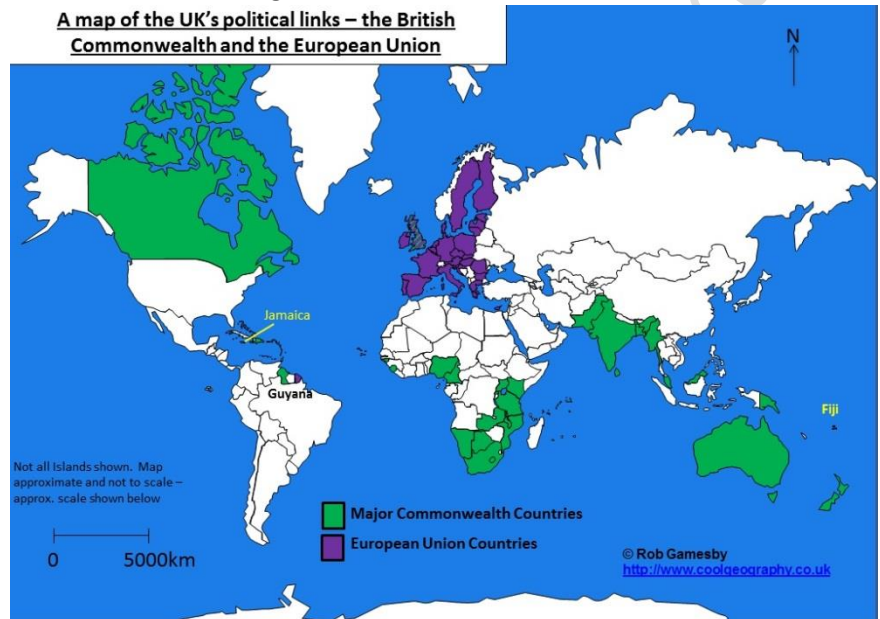
- It covers more than 29,958,050 km² (11,566,870 sq. mi), almost a quarter of the world land area
- It spans all six inhabited continents.
- It has an estimated population of 2.328 billion
- In 2014 produced a nominal gross domestic product (GDP) of \$10.45 trillion,

Annual meetings – the heads of state of the commonwealth countries meet every year to discuss common goals and interests. The UK benefits from these links both politically and economically

The European Union

The European Union is a group of 27 countries that have common goals and close ties to one another. The EU started as a trading union between France, Germany, Italy, Belgium, Luxemburg and the Netherlands with the added incentive of sustaining peace in Post-World War 2 Europe. Over tie the Union has grown, adding a common market of the European Economic Community (EEC) in 1957. The UK joined in 1973 and the EU has slowly expanded ever since. The UK has major connection with, and UK citizens lives are affected by the EU because;

- It has policies in place to control food production under the Common Agricultural Policy
- It can determine national law through the European Court of Justice
- It controls and allows free movement of EU citizens throughout member countries
- It promotes easier trade between EU countries so boosting economies
- It can bail out countries in financial trouble through the European Central Bank
- It makes big decisions in a democratic way through its elected MEPs at its parliaments in Brussels and Strasbourg
- It passes laws protecting people's rights and the environment
- It tries to even out differences in development between richer member states and poorer member states.



Whilst the UK pays a lot of money into the EU for its various activities, money comes back to the UK via trade and various EU policies. Policies include the EU Investment bank which invests in companies such as Jaguar, structural funds which are monies going to the poorest regions of the UK and the EU region Development Fund.

Transport

The UK is a major transport hub in the world and many of the world's transport systems are connected to the UK. The UK has;

1. Many international airports connecting the UK to cities on every continent. That includes a major "hub" airport at Heathrow that allows people to travel around the globe and stop off in London.
2. Huge freight ports around the country, including at Teesport and Thames port which can provide access for huge container ships for import and export
3. Rail links to the continent via Eurostar and Eurotunnel. This connection provides access to major northern European cities such as Paris and Brussels and then on into the wider European rail network

The changing economic world – Glossary from AQA

Birth rate - The number of births in a year per 1,000 of the total population.

Commonwealth - The Commonwealth is a voluntary association of 53 independent and equal sovereign states that were mostly territories of the former British Empire. It is home to 2.2 billion citizens. Member states have no legal obligation to one another. Instead, they are united by language, history, culture, and their shared values of democracy, human rights, and the rule of law.

Death rate - The number of deaths in a year per 1,000 of the total population.

Debt crisis - A situation whereby a country cannot pay its debts, often leading to calls to other countries for assistance. Many LICs are facing severe debt problems.

Debt relief - When HICs write-off some LIC debt, or lower interest rates, so the LIC has to pay less back.

De-industrialisation - The decline of a country's traditional manufacturing industry due to exhaustion of raw materials, loss of markets and competition from NEEs.

Development - The progress of a country in terms of economic growth, the use of technology and human welfare.

Development gap - The difference in standards of living and wellbeing between the world's richest and poorest countries (between HICs and LICs).

European Union - An international organization of 28 European countries, including the UK, formed to reduce trade barriers and increase cooperation among its members. Seventeen of these countries also share the same type of money: the euro. A person who is a citizen of a European Union country can live and work in any of the other 27 member countries without needing a work permit or visa.

Fairtrade - When producers in LICs are given a better price for the goods they produce. Often this is from farm products like cocoa, coffee or cotton. The better price improves income and reduces exploitation.

Free trade - When trade between countries is not restricted by, for example, import duties or not being a member of a group of trading nations. There are no trade barriers.

Globalisation - The process which has created a more connected world, with increases in the movements of goods (trade) and people (migration & tourism) worldwide.

Gross national income (GNI) - A measurement of economic activity that is calculated by dividing the gross (total) national income by the size of the population. GNI takes into account not just the value of goods and services, but also the income earned from investments overseas.

Human Development Index (HDI) - A method of measuring development in which GDP per capita, life expectancy and adult literacy are combined to give an overview. This combined measure of development uses economic and social indicators to produce an index figure that allows comparison between countries.

Industrial structure - The relative proportion of the workforce employed in different sectors of the economy (primary, secondary, tertiary and quaternary).

Infant mortality - The average number of deaths of infants under 1 year of age, per 1,000 live births, per year.

Cool Geography – the Book

Information technologies - Computer, internet, mobile phone and satellite technologies – especially those that speed up communication and the flow of information.

Intermediate technology- The simple, easily learned and maintained technology used in a range of economic activities serving local needs in LICs.

International aid - Money, goods and services given by the government of one country or a multilateral institution such as the World Bank or International Monetary Fund to help the quality of life and economy of another country.

Life expectancy - The average number of years a person might be expected to live.

Literacy rate - The percentage of people who have basic reading and writing skills.

Low income country (LIC) and high income country (HIC) -This subdivision of countries is based on the World Bank income classifications (GNI per capita), which in 2013 were Low Income \$1,045 or below, and High Income \$12,746 or above.

Microfinance loans - Very small loans which are given to people in the LICs to help them start a small business.

North-South divide (UK) - Economic and cultural differences between Southern England (the South-East, Greater London, the South-West and parts of the East) and Northern England (the North-East, West and Yorkshire and the Humber). There are clear differences in health conditions, house prices, earnings, and political influence.

Post-industrial economy - The economy of many economically developed countries where most employment is now in service industries.

Science and business parks - Business Parks are purpose built areas of offices and warehouses, often at the edge of a city and on a main road. Science parks are often located near university sites, and high-tech industries are established. Scientific research and commercial development may be carried out in co-operation with the university.

Service industries (tertiary industries) - The economic activities that provide various services – commercial (shops and banks), professional (solicitors and dentists), social (schools and hospitals), entertainment (restaurants and cinemas) and personal (hairdressers and fitness trainers).

Trade - The buying and selling of goods and services between countries.

Transnational Corporation - A company that has operations (factories, offices, research and development, shops) in more than one country. Many TNCs are large and have well-known brands

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