

Paper 2
Challenges in the human environment
Section A: Urban issues and challenges



Small Things - Quick Wins!

- 1 mark = 1 minute
- Check the command word and the marks available
 - Describe (4 marks) = give 4 points
 - Explain (4 marks) = give 2 points and explain each (P E E)
- 6 mark questions - These will often require you to argue both sides of an issue. Start with a bold statement that answers the question. Then explain (P E E). Then use a good connective (e.g. 'However...') to give the opposing view.
- 9 mark questions - There will be 2 of these on each exam. Some will have 3 SPAG marks attached. Plan them carefully.
 - If it's about a specific place/event make sure you refer to this in your opening sentence (e.g.. Rio de Janeiro, a city on the East coast of Brazil...)
 - Then think about writing 3 paragraphs
 1. Arguments for one side
 2. Arguments for the other side
 3. A conclusion where you answer the question - make sure you substantiate it with a key piece of evidence that you are basing it on (E.g.. I think the challenges in Rio de Janeiro outweigh the opportunities. A key reason is that 25% of people live in favelas. This is more important than... because...)
- Some questions will ask you to look at a figure (a map, graph, photo etc.). Make sure your answer starts with 'In figure X I can see...'
- SPAG doesn't just affect the 9 mark questions. The way you communicate information throughout the 4-6 marks questions can determine what level they achieve. Some handy tips:
 - Try to spell the keywords correctly
 - Start sentences with capital letters
 - Punctuate your sentences/paragraphs
 - Remember capital letters for places and names
 - Re-read your answer - does it read right? Edit it
- There will be some multiple choice questions on each paper. Read the question carefully. Eliminate incorrect answers before you make your final choice.
- Finally, on paper 1 and 2, make sure you don't answer the questions on 'Glacial Landscapes', 'Cold Environments' 'Food Management' and 'Water Management'

What do I need to know?

Key Idea	Content	Do I know it?
<p><i>A growing percentage of the world's population lives in urban areas.</i></p>	The global pattern of urban change	
	Urban trends in different parts of the world, including HICs and LICs	
	Factors affecting the rate of urbanisation	
	Emergence of megacities	
<p><i>Urban growth creates opportunities and challenges for cities in LICs and NEEs</i></p>	<p>A case study: _____</p> <p>Which shows:</p> <ul style="list-style-type: none"> • Location and importance of the city regionally, nationally and internationally • Causes of urban growth in the city • Opportunities of urban growth (social and economic) • Challenges of urban growth 	
	<p>An example: _____ of how urban growth is improving the quality of life for the urban poor.</p>	

What do I need to know?

Key Idea	Content	Do I know it?
<p><i>Urban change in cities in the UK leads to a variety of social, economic and environmental opportunities and challenges.</i></p>	<p>Overview of the distribution of population and the major cities in the UK</p>	
	<p>A case study: _____</p> <p>Which shows:</p> <ul style="list-style-type: none"> • The location and importance of the city in the UK and the wider world • Impacts of national and international migration on the growth and character of the city • Opportunities of urban change (social, economic and environmental) • Challenges of urban change (social, economic and environmental) 	
	<p>An example: _____ of an urban regeneration project to show reasons why the area needed regeneration and the main features of the project.</p>	
<p><i>Urban sustainability requires management of resources and transport</i></p>	<p>Features of sustainable urban living:</p> <ul style="list-style-type: none"> • Water and energy conservation • Waste recycling • Creating green space 	
	<p>How urban transport strategies are used to reduce traffic congestion</p>	

Unit 2A - Urban Issues and Challenges

This section includes:

- Urbanisation
- Megacities
- Impact of urban growth
- Urban change
- Sustainability & transport

Case Studies/Mini Examples:

- Favela Bairro Project- Rio de Janeiro (Urban poor)
 - Rio de Janeiro (Brazil - NEE)
 - London
- There will be a 9 mark question in this section

Unit 2A - Urban Issues and Challenges Case studies and examples

Section/ Topic:	EG or Case Study:	Concepts covered:	Question types:
2A Urban	Rio de Janeiro (Megacity in Brazil) Brazil is a NEE	<ul style="list-style-type: none"> • Megacities • Urbanisation • Push/pull factors • Opportunities (soc/econ) • Challenges (Soc/econ/environ) 	<ul style="list-style-type: none"> • 6-9 marks • Will focus on either 'opportunities and challenges' • 6 marker could refer to impact on the environment and not ask for an eg specifically
2A Urban	London	<ul style="list-style-type: none"> • Urban change • Urban decline • Opportunities & challenges • Urban Regeneration 	<ul style="list-style-type: none"> • 6-9 marks • Most probably a 6 marker • Will focus on either opportunities, challenges, cause/effect • May expect you to balance this against the regeneration used.
2A Urban	London	<ul style="list-style-type: none"> • Urban change (including migration) • Urban decline • Opportunities & challenges • Urban Sprawl 	<ul style="list-style-type: none"> • 6-9 marks • Using evidence to say if severity is increasing • Could focus on either opportunities, challenges, cause/effect • May ask about impacts of urban sprawl
2A Urban	Traffic management: <ul style="list-style-type: none"> • London (Santander bikes, underground, cycle lanes) 	<ul style="list-style-type: none"> • Issue of congestion (Soc/Econ/Env) • Management of transport 	<ul style="list-style-type: none"> • 6-9 marks • Evaluate the effectiveness of...

The global pattern of urban change; Urban trends in different parts of the world, including HICs and LICs; Factors affecting the rate of urbanisation

A growing percentage of the world's population lives in urban areas.

What is an **urban area**?

An urban area *is a built up area such as a town or a city*

What is **urbanisation**?

Urbanisation is defined as **an increase in the proportion of a country's population that lives in towns and cities.**

Urbanisation is happening all over the world. More than 50% of the world's population currently live in urban areas and this is increasing everyday.

The rate of urbanisation differs around the world. In HICs such as Japan, UK and Germany urban growth is slow. This is because urbanisation in HICs happened earlier and most of the population already live in urban areas. As well as this, some people are moving out of the city in search of a better quality of life away from overcrowded cities. The fastest rates of urbanisation are generally in LICs such as Ethiopia and Nepal. In NEEs such as Brazil, China and India the % of people living in urban areas varies. NEEs such as Nigeria and China are experiencing rapid urban growth.

What causes urbanisation?

There are two main factors driving urbanisation around the world. The first is **natural increase**. This is when the birth rate is higher than the death rate i.e. there are more people being born than are dying, so the population grows. It is often young people that move to cities in search of work. These people are of child-bearing age, so are more likely to have children, further increasing the amount of people living in urban areas.

The second major factor is **rural-urban migration**. This is the movement of people from the countryside to the cities. Rural-urban migration is affected by push and pull factors. **Push factors** are bad things about your place of origin that make you want to leave. **Pull factors** are good things about your destination that attract you there.

natural increase	The growth in population resulting in an excess of births over deaths.
birth rate	The number of live births per 1000 people per year.
death rate	The number of deaths per 1000 people per year.
urbanisation	The increase in the proportion of people living in towns and cities.
unemployment	The state of not having a job.
underemployment	Employed at work, yet does not make use of or acknowledge one's full ability, training or such like.
push factors	Reasons why people are encouraged to leave rural areas.
rural-urban migration	The movement of people from the countryside to towns and cities where they wish to live permanently.
pull factors	Reasons why people are attracted to urban areas.
infant mortality	The average number of deaths of children under one year of age per 1000 live births.
urban growth	The expansion of towns and cities so that they cover more land, as well as gaining large populations.

Push	Pull
Lack of services such as healthcare and education	Better paid jobs. (Factory workers receive about three times the wages of farm workers).
Pressure on the land, e.g. division of land among sons - each has too little to live on.	More comfortable houses and a higher quality of life.
Limited food production due to overgrazing or the misuse of land, resulting in soil erosion or desertification.	A better chance of services, e.g. schools, medical treatment, entertainment.
Lack of employment opportunities.	The 'bright lights' of the city. There is a perception that there is a better quality of life in the city.
Conflict or war can cause people to flee their homes.	Religious and political activities can be carried out more safely.
Starvation, resulting from either too little output for the people in the area or crop failure. Frequently, it may also be caused by a change in agriculture - from producing crops for the family/local community to a system that produces cash/plantation crops for consumption in HICs.	More reliable sources of food.
Overpopulation, resulting from high birth rates.	
Extreme physical conditions, e.g. aridity, mountainous terrain, cold, heat and dense vegetation.	
Mechanisation has led to a reduction in jobs available on the land, as well as a decrease in yields in many areas.	
Lack of investment as money available to the government will be spent in urban areas.	
Farming is hard work with long hours and little pay. In LICs, a shortage of money implies a lack of machinery, pesticides and fertiliser.	



PUSH



PULL

TEST YOURSELF! Can you:

- Define the key terms
- Describe and explain the different trends of urbanisation around the world (HICs and LICs)
- Explain the factors affecting rates of urbanisation around the world

Emergence of megacities

What is a megacity? *A megacity is defined as a city that has 10 million or more people living there.*

There has been a **growth** of very large cities with a population of **more than 1 million**.

- In **1850**, there were only **2 millionaire cities**, namely London and Paris.
- In **1950**, there were **83 millionaire cities**.
- In **2015**, there were **approximately 500 millionaire cities**.

The world now also has **megacities**. These are cities with a population in **excess of 10 million**.

- In **1950**, there were only **two megacities** in the world, New York and Tokyo.
- In **2014**, there were **28 megacities** worldwide: **16 in Asia**, **4 in South America**, **3 each in Africa and Europe** and **2 in North America**.
- By **2030**, the world is projected to have **41 megacities**.

More than two thirds of the world's megacities are in LICs and NEEs.

There are both opportunities and challenges of megacities.

Opportunities of urban growth in NEEs and LICs include the growth of urban industrial areas which can increase economic development. As well as this there is better access to services such as education and healthcare and better access to resources such as clean water and electricity. A major challenge faced by LIC and NEE megacities is the growth of **squatter settlements**. Unplanned urbanisation makes it difficult to manage, and with urban growth happening at such a rapid rate, many end up living in squatter settlements. **Squatter settlements** are illegal settlements where people have no legal rights over the land on which they live.



16. Dhaka, Bangladesh (5/20)

Urban area: 15.66 million people
Population density: 43,500 people per square kilometer

One of the fastest growing cities in the world, Dhaka has attracted economic migrants from all over Bangladesh. As many as one quarter of Dhaka's residents live in crowded slums, according to the World Bank. It is by far the most densely populated megacity.

Urban Detail: Dhaka is known as the rickshaw capital of the world as many people get around using cycle rickshaws or autorickshaws.

(Source: Reuters)



13. Mumbai, India (8/20)

Urban area: 17.7 million people
Population density: 32,400 people per square kilometer

Mumbai—called Bombay until the name was changed in 1995—is the commercial and movie capital of India and has attracted millions of migrants from the countryside. With high birth rates and the continued influx of migrants, Mumbai's population is expected to grow rapidly in the future. It is the second most densely populated megacity.

Urban Detail: Over half of the city's population lives in slums. Poor infrastructure and widespread poverty make it very difficult to meet the demands of an ever-growing population.



1. Tokyo-Yokohama, Japan (20/20)

Urban area: 37.8 million people
Population density: 4,400 people per square kilometer

Greater Tokyo is the largest urban agglomeration in the world, swallowing up the neighboring cities of Yokohama, Kawasaki, and Chiba. Despite its size, Tokyo has very efficient public transportation, which accounts for almost 80% of all journeys.

Urban Detail: Tokyo Bay has been gradually filled up to create more living space. Odaiba, an island made from waste, has become one of Tokyo's most interesting tourist spots and destinations for day trippers.

TEST YOURSELF! Can you:

- Define what a megacity is
- Describe how the location of megacities has changed over time
- Define what a squatter settlement is and explain the challenges of these settlements.

A case study which shows... Location and importance of the city regionally, nationally and internationally; Causes of urban growth in the city; Opportunities of urban growth (social and economic); Challenges of urban growth (RIO DE JANEIRO)



Rio de Janeiro is located on the Atlantic Ocean, in the south-eastern part of the tropical zone of South America, and is widely recognized as one of the world's most beautiful and interesting urban centres. Although Rio de Janeiro continues to be the preeminent icon of Brazil in the eyes of many in the world, in reality its location, architecture, inhabitants, and lifestyle make it highly unique when compared with other Brazilian cities, especially the country's capital of Brasília or the much larger city of São Paulo.

The growth of Rio de Janeiro

Rio has grown rapidly in the last 50 years to become a major administrative, industrial, commercial and tourist centre. The population is estimated to be 12.5 million. The population has grown by 3.9 million people since 1950. The city is racially very mixed, with migrants coming from other parts of Brazil as well as from overseas.

Economic importance of Rio de Janeiro

Brazil's second most important industrial Centre, producing 5% of Brazil's GDP.

A major port- main exports are coffee, Sugar and iron ore.

Main service industries are banking, finance, And insurance.

Tourism- is one of the world's top tourist destinations.

The city now provides more than 6% of all Employment in Brazil.

Rio has the largest steelworks in South America in Sepetiba Bay.

Challenges of urban growth in Rio de Janeiro

Managing the growth of favela's

Nearly 25% of Rio's population live in favela's. Rocinha is the largest favela in Brazil, located in Rio's South Zone. It is difficult to supply services to the squatter settlements.

Providing clean water and sanitation

30% of Rio's population is not connected to a formal sanitation system. Sewers are often open drains in the favelas. Lack of sanitation increases the risk of illness and diseases.

Access to services

Youthful population means constant rising demand for schools, healthcare and maternity services.

Reducing unemployment and crime

Unemployment rates are as high as 20% in the favela's. Many people are employed in the informal sector where work is poorly paid and irregular. Drug gangs dominate many favelas.

Environmental issues

Human and industrial waste is difficult and expensive to manage. Lack of sanitation means waterways are polluted. Air pollution and traffic congestion are also an issue.

TEST YOURSELF! Can you:

- Describe the location of Rio de Janeiro
- Explain why Rio de Janeiro is regionally, nationally and internationally important
- Explain why Rio de Janeiro has grown (natural increase and rural-urban migration)

TEST YOURSELF! Can you:

- Explain how Rio de Janeiro creates opportunities.
- Explain the challenges that Rio de Janeiro faces



The challenges of squatter settlements

These areas are illegal and are not catered for by the Government, so there is no electricity, rubbish collection, schools or hospitals. The houses in these settlements have no basic amenities such as running water or toilets, so diseases like cholera and dysentery are common.

Overcrowding is a major problem in Rio's favelas. On average, the population density is about 37,000 people per square kilometre. Because of the lack of toilets and poor sanitation, sewage often runs in open drains. This causes diseases which spread rapidly.

People are poor and cannot afford healthcare or medicines so illnesses go untreated. Diseases spread quickly. As a result, infant mortality rates are high and life expectancy is low (on average 56 years) in a Rio favela.

There are not enough jobs to go around, so unemployment rates are high. Most people who do have a job work in the informal sector for 'cash in hand', eg labourers or cleaners. Informal sector jobs are very poorly paid and the work is irregular so a steady income is not guaranteed.

Crime rate in the favelas is extremely high as they are controlled by gangs who are involved in organised crime. Rocinha is so feared by police that they do not patrol on foot without guns.

Opportunities of urban growth

Education

The schools of tomorrow programme. This aims to improve education for young people in the poor and violent areas of the city. There are practical skilled based courses for adults. There is free child care provided for teenage parents to enable them to return to education. A private University has been opened in Rocinha favela.

Transport

Expansion of the metro system. New toll roads into the city centre have been built to reduce congestion. Coastal roads have been made one-way systems during rush hours, to improve traffic flow. This has reduced the amount of traffic congestion and air pollution.

Waste

A power plant has been set up near the University of Rio using methane gas (biogas) from rotting rubbish. It consumes 30 tonnes of rubbish a day and produces enough electricity for 1000 homes.

Employment

Rio has one of the highest incomes per head in the country. A growing number of jobs are provided by service industries, such as finance, banking and retail. Oil has been discovered just off the coast and has encouraged the growth of oil related industries. Rio is one of the world's top tourist destination, an industry that employs many people.

An example of how urban planning is improving the quality of life for the urban poor: Favela Bairro Project

Until 1980, the authorities in Rio did not acknowledge the existence of favelas. In the mid-1980's city planners felt something had to be done for the city's poorest citizens. Rather than destroy the favelas and squeeze their large populations into public housing, the city decided to upgrade them and provide essential services.

Key points

The Inter-American Development Bank funded this US\$180 million "slum to neighbourhood" project in 1995 in which it sought to integrate existing favelas into the fabric of the city through infrastructure upgrading and service increases.

The project involves 253,000 residents in 73 communities.

Key to the success of this large project was a committed and flexible city government, NGOs, the private sector, churches, and the general population.

Site and service scheme, where the local authority provides land and services for residents to build homes.

Improvements in Complexo do Alemão (successes)

Paved and formally named roads

Access to a water supply and drainage system for improved sanitation.

Hillsides secured to prevent landslides

Building of new health, leisure and educational facilities.

Installation of a new cable car system across the hillsides- residents are given one free return ticket a day.

Access to credit to allow inhabitants to buy materials to improve their homes.

100% mortgages available for people to buy their homes.

A pacifying police unit (UPP) set up to reduce crime.

The quality of life, mobility and employment prospects have been improved for the inhabitants of the favelas.



Limitations of the scheme

The budget may not cover every favela.

The newly-built infrastructure is not being properly maintained.

Residents lack the skills and resources to make repairs.

More training is needed to improve literacy and employment.

Rent rise in the improved favelas and the poorest inhabitants are even worse off.

TEST YOURSELF! Can you:

- Explain how the project intends to improve the quality of life for the urban poor
- Evaluate the effectiveness of the scheme - how effective was the scheme in improving life of the urban poor? What are some good things about the scheme? What are some bad things?

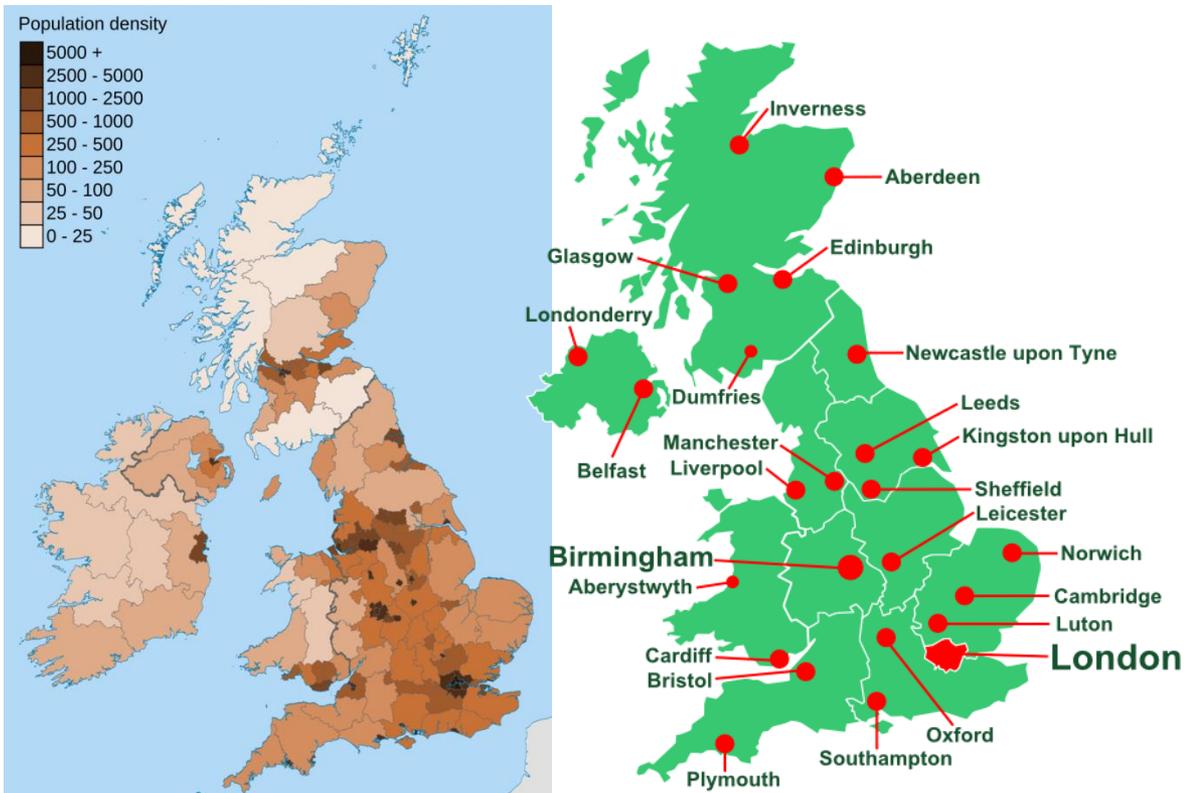
Urban change in cities in the UK leads to a variety of social, economic and environmental opportunities and challenges.

How does population density vary in the UK?

- | **Population density** - the number of people who live in an area per square kilometre (km²)
- | **Sparsely populated** - an area where not many people live
- | **Densely populated** - an area where lots of people live

The population distribution in the UK is very uneven. Many of the major cities have developed into conurbations. These are towns that have merged to form continuous urban areas. These areas have the highest population density.

- The relief (change in heights of the land) affects where people live. Upland regions such as the north of Scotland are sparsely populated. They are difficult to farm and have few natural resources.
- Many coastal areas have attracted human settlement - especially where there are sheltered bays. Key ports have grown into major cities such as Liverpool, Bristol and Cardiff.
- Mineral wealth (especially of coal and iron ore) has often led to rapid population growth because this was where industries developed. Many of the UK's cities developed on coalfields, e.g. Newcastle and Leeds.
- Most urban areas are in lowland areas e.g. Birmingham. These are easy to build on and have a milder climate than upland areas.
- London is the UK's biggest city. It has over 8.6 million people which is 10% of the whole country's population! It is the national capital and has many industries.



TEST YOURSELF! Can you:

- Identify key cities on a map of the UK?
- Describe population density around the UK (TEA)
- Explain reasons for the uneven distribution of the population around the UK.

A case study of a major city in the UK to illustrate... The location and importance of London in the UK and the wider world



The British film industry is synonymous with the names of places in and around London - Ealing, Pinewood, Shepperton.

The city is a major international centre for fashion, art and theatre, too.



If you can afford it, the city is a congenial place to shop with good schools and plenty to do in the evening. **There's Wimbledon, the Royal Opera House, Premier League football, West End theatre, the Tate Modern.**

There were **17.4 million** overseas visitors to London in 2014

London's housing stock is worth as much as Brazil's annual GDP, estate agents Savills reported in January 2015.

There are over **40** universities, UCL is one of the best in the world.

London is **Europe's fastest-growing technology cluster, with 3,000 companies concentrated in the East End.**

The UK's parliament is in London. So too is Whitehall's central government machinery - London had 76,840 civil servants in 2014.

The capital **generates 22% of UK GDP despite accounting for only 12.5% of the UK population.** According to the Centre for Economic and Business Research, it makes a net contribution to the Exchequer of an astonishing **£34bn.**

There are **5 international airports** around London and it is home to the second biggest port in the UK.

The city is home to **251 overseas banks.** UK financial services had a trade surplus of **\$71bn in 2013.** London's GDP is equal to that of Saudi Arabia.

There are 6 major train stations, connecting London to the rest of the UK and Europe.

TEST YOURSELF! Can you:

- Read each of these statements/evidence if they are national (N) or international (I) reasons why London is important - some might be both.
- Explain the importance of London within the UK
- Explain the importance of London in the wider world

A case study of a major city in the UK to illustrate... Impacts of national and international migration on the growth and character of the city

In 2014 London had 3million people born in other countries living in it. It is often described as one of the most diverse cities in the world. We need to know what impact this has on the growth and character of the city.

Migration to the UK from Punjab, India

Britain's labour shortages shaped the post-war migration patterns from the subcontinent. It was primarily men from middle-ranking peasant families in Punjab, particularly those who had been previously employed in the colonial army or the police force and their relatives, who took up this opportunity.

These Punjabi migrants found work in the manufacturing, textile and the service sectors, including a significant number at Heathrow Airport in West London. After the Commonwealth Immigrants Act was passed in 1962 which restricted the free movement of workers from the Commonwealth, most workers from South Asia decided to settle in the UK and were eventually joined by their families.

Sri Lankan migration to London

The next distinctive phase of [Sri Lankan migration to the UK](#) occurred from the 1980s onwards, during the civil war in Sri Lanka. These migrants were from less affluent backgrounds, but like most who make a journey to the West, they were by no means from the poorest sections of their society. 70% of people of Sri Lankan origin in the UK live in London. Many Tamils in the UK have found employment in small businesses, including grocery shops and newsagents, with increasing numbers setting up their [own business](#).

Caribbean migration to London

Black immigrant populations arrived first in 1960's, invited by the Government to supplement work shortages in labour intensive sectors like buses, the Underground and hospitals. Immigrants filled work places left by white workers who were counter-urbanising and relocating to suburbs and New Towns.

A large number located in Brixton and this still has a large Caribbean population. Caribbean culture is embedded in this area and many like it. Reggae music became one of the most popular music genres and The Notting Hill carnival is perhaps the most symbolic representation of Caribbean culture in London.

Migration to the UK from Sylhet, Bangladesh

Large scale Bangladeshi settlement in the UK is a more recent phenomenon compared to that of other South Asian communities.

Most Bangladeshi families in the UK in the present time are the result of large scale migration in the **early 1970s from the Sylhet region of Bangladesh, as people fled from the civil unrest in their homeland, to seek a better life in Britain.**

Bangladeshi men initially found work in the steel and textile mills across England, but when these industries collapsed, they turned to small businesses including tailoring and catering. Many found work in the growing number of "Indian" restaurants and takeaways in the UK, most of which are actually owned by Bangladeshis.

Brick Lane, in the heart of the community, is a hive of activity. There are innumerable Balti and curry houses on the road, which even hosts an international curry festival, and Bengali foods are on sale in the local shops and markets. The weekly paper, the '*Sylheter Dak*' even has an office there. Brick Lane Festival But it is at festival time that the vibrancy and energy of the community really comes to the fore. Each year tens of thousands take to the streets for the Baishaki Mela, celebrating the Bangladeshi New Year with music, food, fashion and dance. Established in 1998, and London's biggest Mela, the festival's steering group says it helps Bangladeshis to take pride in their roots and contribute to the regeneration of the area.

Chinese

There has been a history of Chinese migration to London for centuries. However in the last few years the highest number of foreign migrants arriving in London were Chinese - 46,000 in 2013. This is again in search of jobs. Chinese cuisine is huge in London, and Chinatown is the vocal point of Chinese contribution to London culture. There is a Chinese New Year's Day Parade every year in London.

TEST YOURSELF! Can you:

- Explain the impact of international migration on the character of London. What influence has international migration had on what London is like?

A case study of a major city in the UK to illustrate... how urban change has created opportunities.

UK cities have always been changing and growing. This urban change can create both opportunities and challenges. This page will focus on the **opportunities** in the way of: social and economic - cultural mix, recreation and entertainment, employment, integrated transport systems; environmental - urban greening. You need to know all of these!

Recreation and entertainment

- Three of the **top ten museums** and galleries in the world are in London and 857 art galleries in total.
- London has **four UNESCO** world heritage sites: [Tower of London](#), [Maritime Greenwich](#), [Westminster Palace](#) and Kew's [Royal Botanic Gardens](#).
- There are more than **17,000 music performances** a year across London's 300+ venues including [the O2 arena](#) - the world's most popular music venue.
- **84% of Londoners** think that the city's cultural scene is important in ensuring a high quality of life. (*GLA/ICM research*).
- Over **250 festivals** take place in London every year including the largest free festival the [Mayor's Thames Festival](#), and Europe's biggest street festival, the Notting Hill Carnival which attracts near one million people.
- London presents more **live comedy** than any other city in the world. From hosting new talent in the backrooms of pubs to the likes of Chris Rock and Steve Coogan in major arenas.
- Over a **fifth** of all the UK's **cinema screens** are based in London. There are more cinema screens in the capital (796) than in any other part of the country.
- [London Fashion Week](#) generates over **£100m** of orders and over 32,000 hours of digital content watched in the UK from more than 100 countries.
- From the first performance of **Shakespeare** at [The Globe](#) in 1599 there are now at least 200 shows to choose from every day across the West End.
- The [London Design Festival](#) is now the world's leading event of its kind, which attracted over 350,000 people to innovative projects and cutting edge design.

Cultural mix

According to the Migration Observatory, in 2013 2.8 million foreign-born people - 36% of the UK's migrant population - lived in London. This churn included huge internal migration, too. In the 12 months to June 2013, 197,000 people moved in from other parts of the UK, according to the Office for National Statistics. The peak age for these internal migrants was 23 - testament to the steady procession of young people who arrive each year seeking work and excitement. There are over **300 languages spoken in London**, more than any other city in the world. Events such as Nottinghill Carnival celebrate the diversity in the city. A large cultural mix suggests the population a more tolerant of different cultures than areas that are not exposed to such a variety of people.



Transport

London has a fantastic integrated transport network, including buses, tubes, trains, DLR, trams, overground and soon crossrail. The **Tube** is carrying more passengers than ever - more than 1.3 billion in 2014/15. **Crossrail** will provide a 10 per cent increase in London's rail capacity, relieving congestion on many existing rail and Tube lines. It will bring 1.5 million more people across London within a 45 minute commute of the key business districts of the West End, City and Docklands. Around 9,300 **buses** operate across 675 routes. London's buses travelled 493 million kilometres in 2015/16. More than 90% of Londoners live within 400 metres of a bus stop. The **DLR** has 45 stations and 149 vehicles. **Cycle** journeys on main roads in London reached the highest levels ever recorded in 2014/15, a 243% increase since 2001/02. 10.1m cycle hires in 2014



Employment

Today some 350,000 people in London are employed in the financial sector. Median weekly income was an astonishing £792.60, the national average is £520.00. In 2014 around 45% of graduate jobs advertised in the UK were based in London. London's economy consists of 96% service industry positions.

Urban greening

Green infrastructure can be defined as:

A network of green spaces - and features such as street trees and green roofs - that is planned, designed and managed to provide a range of benefits, including: recreation and amenity, healthy living, reducing flooding, improving air quality, cooling the urban environment, encouraging walking and cycling, and enhancing biodiversity and ecological resilience. There are around 700 green roofs in central London alone, covering an area of over 175,000m². That's 17.5 hectares or around 25 football pitches! It is estimated that there are about 8 million trees in London, and **about 20 per cent** of London is covered in trees.

TEST YOURSELF! Can you:

- Make a mnemonic for the different opportunities (CREEIU) to help you remember them
- Explain how London has developed these opportunities as a city
- Explain the benefits of these opportunities

A case study of a major city in the UK to illustrate... how urban change has created challenges.

UK cities have always been changing and growing. This urban change can create both opportunities and challenges. This page will focus on the **challenges** in the way of: social and economic: urban deprivation, inequalities in housing, inequalities in education, inequalities in health and inequalities in employment. You need to know all of these!

Urban deprivation

Urban deprivation is a standard of living below that of the majority in a particular society that involves hardships and lack of access to resources. Places suffering from **urban deprivation** have visible differences in housing and economic opportunities been the rich living alongside poor people.

A 2013 report by the New Policy Institute suggested that **28% of people in London were in poverty**, seven percentage points higher than the remainder of England. **Two of the city's boroughs are among England's top 10 most deprived.**

Urban deprivation can occur due to a loss of jobs/industry in a city which causes unemployment and decline.



Inequalities in housing

There are many inequalities in London's housing. The main issue is that many people cannot afford to buy in London.

There is also a vast difference in the quality of housing, from town mansions to large estates with limited space and amenities which often have a bad reputation for crime and quality of life. This can lead to resentment and a feeling of isolation.

Around 22% of homes in London do not meet the Decent Homes standard, similar to the national average.

In 2012/13 London contained around 250,000 overcrowded households.

The Grenfell Tower fire tragedy is a harsh reminder of the inequalities in housing some face. Whilst Grenfell did not meet minimum safety requirements (thought, in part, due to the lack of money gained from investment as most residents rented through social housing), it sits next to one of the wealthiest boroughs in London where house prices average at £2.2 million and there is huge amounts of private investment. (The average house price in more deprived boroughs such as Hounslow average £500,000).



Inequalities in education

Compared to other parts of the country, London has done well in narrowing its education gaps. The government has spent a lot of money funding 'disadvantaged' schools in London and has meant students from disadvantaged backgrounds have had investment into a better education.

In 2002 fewer than a quarter (22%) of children on free school meals in inner London obtained five or more A*-C grades at GCSE or their equivalent (including English and Maths). By 2013, this had risen to almost half (48%), compared with a rise from 17% to 26% among disadvantaged children outside London. It is often believed that students from disadvantaged backgrounds do not do as well in as others due to a lack of importance and support placed on education, as well as a lack of support.

Despite narrowing the gap, 41% of pupils in Inner London and 38% in Outer London did not achieve five A*-C grades at GCSE level in 2013/14.

59% of disadvantaged students from Inner London go on to attend higher education institutions - the highest rate in England. But they are less likely than non-disadvantaged students to attend elite universities.



Inequalities in health

Often people who are richer and are more comfortable enjoy better health because they can access it more easily (eg. gyms due to money) and are more aware of the negatives of living unhealthily through education.

However in poorer areas people cannot afford as active lifestyles and education surrounding the negatives of an unhealthy lifestyle are not as easy to convey. Moreover, wealthier residents tend to have better diets.

Women in Richmond-upon-Thames in south-west London live **15 years longer in good or very good health** than women in the east London borough of Tower Hamlets.



Inequalities in employment

London has the most unequal pay distribution of any part of the UK wholly due to pay at the top end. **The top 10% of employees in London receive at least £1,420 a week**, £350 higher than the next highest region. **The bottom 10% in London earn no more than £340**, only £40 higher than the next highest region

People in lower paid jobs cannot afford good housing or lead a better quality of life. Moreover it can lead to a feeling that you will never be able to and even resentment. Some people leave the London riots were in part due to a lack of opportunity for younger people from deprived areas.

A case study of a major city in the UK to illustrate... how urban change has created challenges.

UK cities have always been changing and growing. This urban change can create both opportunities and challenges. This page will focus on the **challenges** in the way of: environmental: dereliction, building on brownfield and greenfield sites, waste disposal; the impact of urban sprawl on the rural-urban fringe, and the growth of commuter settlements. You need to know all of these!



Environmental challenges - Waste disposal

Waste disposal is the how we get rid of our waste. In London we produce a lot of waste and are not great at recycling. From 2015 to 2016 we only recycled 32% of waste, on average.

Waste and rubbish often goes to landfill which has negative consequences such as destroying habitats, being an eyesore and creating a risk of potentially poisonous leaks. Moreover it releases methane, a greenhouse gas.

London produces nearly a 250,000 tonnes of waste electrical equipment a year and half a million tonnes of avoidable food waste.

Environmental challenges - greenfield and brownfield sites

London needs **63,000 new homes a year** to keep up with its population growth of 100,000 people a year, many of these are either built on green field sites in the suburbs or on brownfield sites in the city.

Greenfield sites are land that has never been built on. They are often in the countryside surrounding a city. Environmental problems with this is building on new land means habitats are destroyed and more waste is created, as well as more pollution due to traffic.

Brownfield sites are land that has previously been built on eg Battersea Power Station or the Olympic Park and converting them into new homes. Environmental problems with this is that often a lot of waste is produced and toxic chemicals from old buildings can leak out. More over it is very expensive.



Key words:

Urban sprawl: the spreading of urban developments (such as houses and shopping centers) on undeveloped land near a city

Rural-urban fringe: This is found at the edge of a town or city and is where town meets country

Commuter settlements: Commuter settlement - a place where people live and travel elsewhere for work

TEST YOURSELF! (using this page and the last page) can you:

- Make a mnemonic for the different challenges:
 - Social and economic: DHEHE
 - Environmental: DGBW
- Know the key terms and define them
- Explain why these challenges are a problem for London
- Explain the reasons for growth in commuter settlements
- Explain the impacts of urban sprawl

Dereliction

Derelict buildings are those which are still standing but are no longer in use - they can be houses, offices, factories, old schools, any where really. Over time they can be environmentally damaging as toxic leaks can occur and rubble and unwanted plants grow.

Socially they are an eyesore and can become squatter houses.

There is **£350m worth of vacant properties on the most prestigious stretch of The Bishops Avenue in north London.**

The impact of urban sprawl on the rural-urban fringe and growth of commuter settlements

The number of new homes given planning permission in London's rural fringe has tripled since 2013.

Why are people moving?

Decentralisation of offices: Some offices are relocating to **business parks** on the outskirts of the city beside main roads for access. They are moving to take advantage of the cheaper land with room to expand. The unpolluted environment in the countryside helps to attract a highly skilled workforce. However, this relocation contributes to urban sprawl and **land use conflicts** with **rural land users**, eg farmers.

Transport changes: Many main roads, motorways and train lines link the suburbs with the city centre to allow **commuters** easy access to work, shopping and entertainment. **Park and ride schemes** have been particularly important to enable people to travel to events without taking their cars, eg football matches and arena concerts.

Housing developments: From the 1960's onwards, **new towns**, were built on greenfield sites on the outskirts of the city to combat overcrowding in the inner city **slums**. New housing developments continue to add to the problem of urban sprawl today. Small villages like Clarkston have now been swallowed up by the Glasgow city boundary and farming villages like Eaglesham have been turned into commuter settlements.

New industry and new business districts: Industrial estates, retail parks, large supermarkets and shopping centres eg Bluewater are located on the edge of the city. They take advantage of the cheaper land, room for expansion, access links and nearby population for **labour** and a **market**. However, these developments increase urban sprawl and put pressure on the greenbelt. The impact of these developments is a decrease in farmland and a loss of wildlife habitat.

Impacts:

Environmental:

- 1) Loss of land and habitat as new buildings, homes, roads and railways are built in the commuter belt.
- 2) Increased light pollution around London.
- 3) Increased noise pollution.
- 4) Increased traffic congestion and air pollution in once countryside areas.

Social:

- 1) Increased cost of housing in once cheaper areas, locals feel pushed out.
- 2) Resentment between newcomers and locals.
- 3) Increased traffic in the local area.

An example of an urban regeneration project to show reasons why the area needed regeneration and the main features of the project: London Docklands LDDC

What is urban regeneration?

Urban regeneration is improving an area that has been experiencing a period of decline. In the east end of London the decline was brought about by deindustrialisation. **Deindustrialisation** is the process whereby there is a reduction in the amount of manufacturing taking place in a country. This results in unemployment and buildings becoming abandoned and derelict.

The London Docklands Development Corporation

During the 19th century, London's port was one of the busiest in the world, but by the end of the 1950s it was in significant decline with many of the docks derelict and abandoned. In response to the resulting social, economic and environmental problems the London Docklands Development Corporation (LDDC) was set up in 1981.

Why did the London Docks go into decline?

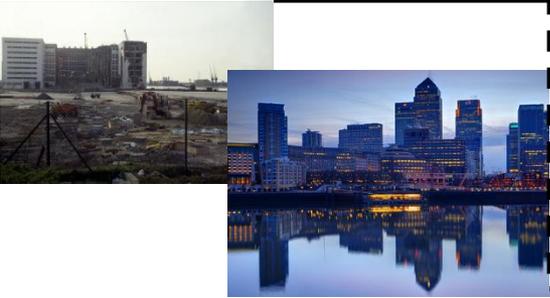
1. An increase in ship size meant they found it difficult to come down the river as far as the Isle of Dogs where the river wasn't as deep. (the position of the docks moved further downstream to Tilbury);
2. Containerisation meant few docks were needed with large cranes used to lift containers from ships;
3. The decline of portside industries and manufacturing

What were the problems in 1981 in the Isle of Dogs? (Why did the area need regeneration?)

- * Population had declined
- * Employment was in decline (loss of jobs from decline of docklands)
- * Access to the rest of London was poor with narrow roads which were heavily congested, and a lack of public transport (a single bus route and no rail or underground service)
- * 95%+ of housing was rented and including high density terraced houses and large estates dominated by high rise blocks
- * Shopping facilities were limited
- * Lack of open space and recreation facilities

TEST YOURSELF! (using this page and the last page) can you:

- Explain why London Docklands needed to be regenerated
- How was the area regenerated
- Evaluate the effectiveness of the project (9 mark Q)



Main features of the project (changes in area between 1981 and 1998)

Environmental Regeneration

- Network of pedestrian and cycle routes through the area with access to the river and dock edge through waterside walkways
- Creation of pedestrian bridges
- Creation of new open spaces (150ha)
- Water based ecology park and London's first bird sanctuary at east India dock basin - one of 17 conservation areas set up
- Planting of 200,000 trees;

Economic Regeneration

- Transport revolution - opening of the Docklands Light Railway in 1987 - now carrying 35,000 passengers a week;
- £7.7 billion in private sector investment
- Unemployment had fallen from 14% to 7.4% with a doubling in employment and numbers of businesses
- Building of the City Airport in the former Royal Docks (500,000+ passengers a year)
- Attraction of financial and high-tech firms through set up of Special Enterprise Zones
- TV studios and newspapers such as The Guardian now have offices in the prestigious Canary Wharf business complex

Social regeneration

- 10 million spent on improvement council and housing association homes
- A total of 22,000 new homes built (mainly private ownership with approx 19% for rent)
- Large new shopping centre at Canary Wharf with over 30 shops
- Many restaurants, pubs and cafes built
- Docklands Sailing and Watersports Centre
- £100 million spent on health, education, job training etc.

Successes:

- more trade for local shopkeepers
- cheaper rents here for large companies yet still the benefit of only being 10 minutes from central London
- a wide range of economic, environmental and social benefits (see above) - including 22,000 new housing units and 1000s of new jobs.
- greatly improved accessibility in and out of docklands
- addressed the once failing land, housing and commercial property markets in the area.

Criticisms:

- More trade for local shopkeepers
- Cheaper rents here for large companies yet still the benefit of only being 10 minutes from central London
- A wide range of economic, environmental and social benefits (see above) - including 22,000 new housing units and 1000s of new jobs.
- Greatly improved accessibility in and out of docklands
- Addressed the once failing land, housing and commercial property markets in the area.

Features of sustainable urban living: Water and energy conservation; Waste recycling; Creating green space

What is sustainability?

1. Protecting the environment for future generations
2. Ensuring economic development (particularly for poorer countries and people)
3. Improving people's quality of life

Water conservation - reducing the amount of water cities use

Why is it important?

Everyone needs water to survive, obviously. However water is also really important for us in terms of cleaning, in industry and growing food. With the growth and growth of cities, more and more water is being used.

Many of these cities are growing in regions where water is scarce and the future impacts of climate change are likely to make it even more so.

As such it is really important to protect and conserve it in our cities. That means reducing the amount we use, but also reusing what we do use.

Urban greening - creating more green spaces in urban areas, often in unconventional places

As well as providing social benefits for people (green spaces are nice), urban greening has many environmental benefits:

- 1) Reduces flooding - vegetation and soil holds vegetation, instead of it going to drains and then rivers.
- 2) Increase biodiversity - gardens and green areas encourage more insect and bird life in cities.
- 3) Reduces temperature - cities are hotter than the country side, this is because they are made of concrete. Vegetation provides valuable shading and cools the city.
- 4) Improves air pollution - vegetation such as trees act as filters, improving air quality for people.

Energy conservation - reducing the amount of energy cities use and making it increasingly renewable.

Why is it important?

- Climate change - cities use a lot of energy. If all this comes from fossil fuels this contributes to climate change.

- Increase temperature - the sheer amount of heat from electrical items in cities contributes to hotter temperatures.

- Health - coal power stations release huge amounts of pollution creating smog. Chinese cities are famous for this, this can lead to health issues for citizens.



Water Conservation

TEST YOURSELF! (using this page and the last page) can you:

- Define sustainable urban living
- Explain why water conservation is important
- Explain why waste recycling is important
- Explain why urban greening is important
- Give examples (using London and Curitiba factsheet) of sustainable urban living

<https://www.youtube.com/watch?v=r4sumpEqnIY>

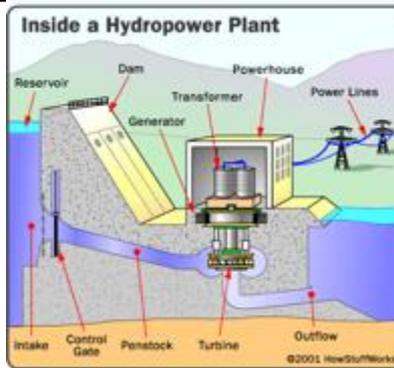
For extra information on Curitiba watch the video on this link! (Or use the QR code here >>>>>).



Sustainable cities: Curitiba Fact Sheet

On average in Curitiba, each person uses enough energy (electricity, petrol etc.) to give off 0.7 tonnes of carbon dioxide per person per head. They call this its 'per capita CO₂ Emissions'.

This is very low. This is mainly because Curitiba produces 84 percent of its electricity from renewable hydroelectric power which doesn't give off any carbon dioxide.



In Curitiba, people use an average of 150 litres of water per head per day.

This is very low for a city in a rapidly developing country like Brazil. It is very low because of years of campaigns by the government to encourage saving water. People have water metres to ensure they keep track of how much water they are using. There are also separate taps for drinking and non-drinking water so that not all water needs to be as clean (which uses up a lot of energy).



Curitiba does have slum dwellings and housing shortages but has developed innovative ways of dealing with these urban problems. Farmland within the city limits was purchased in the 1990s and 50,000 homes, which will house 200,000 people, are being built. The houses are being built by the new landowners, sometimes with the aid of mortgages from the city. In the 1990s, the city started a project called *Faróis do Saber* ('Lighthouses of Knowledge'). These 'lighthouses' have been set up in each quarter of the city and contain a library, and computers for public use. Job training, social welfare and educational programmes are co-ordinated by the city and Curitiba has the lowest illiteracy rate and highest educational attainment levels of any of the Brazilian cities.



Each resident of Curitiba produces an average of 1.3kg of waste per day. This is very low compared with the rest of the world. It also recycles or composts almost 100% of all of its waste. The city has a very good education project to ensure that all people consider waste as a resource and encourages people to separate waste in their homes.

Curitiba is famous for its excellent public transport system and its lack of traffic congestion. It has six designated high speed bus routes that carry people from the edge of the city into the centre. The buses are long, split into three sections and stop at designated elevated tubes, complete with disabled access. There is only one price, no matter how far you travel, and you pay at the bus stop. It has been a model for other cities trying to achieve more sustainable movement of people and is used by 85% of people living in the city. 710,000 commute by bus each day which is very high for a city of its size.



The population density in Curitiba is 4,296 people per square kilometre. This means that each person only takes up a relatively small amount of land.

Curitiba is a fairly small city but it has been very good at making sure it doesn't spread further and further out into the countryside as it grows. It has strict planning laws to stop this happening. Another feature of the city is the large amount of green space per head of population (52 square metres) which is remarkable in a city that has seen its population triple in the last 20 years. There are 28 parks and wooded areas in Curitiba, creating a city landscape which is unlike any other in a developing city.

The city has been planned and designed to ensure that most new housing is close to a bus route so people don't need to rely on their cars.

Sustainable cities: London Fact Sheet

On average in London, each person uses enough energy (electricity, petrol etc) to give off 5.9 tonnes of carbon dioxide per person per head. They call this its 'per capita CO₂ Emissions'.

This is lower than the average for the rest of the UK and is mainly because Londoners take buses and tubes more than those in other towns and cities.

Over 70% of our energy comes from gas and coal, both of which give off a lot of carbon dioxide emissions.

We use very little renewable energy such as wind or solar power. This is less than 10% of all the energy we use.



A coal fired power station, which is where most of London's electricity comes from.

In London, people use an average of 167 litres of water per head per day. Most of that comes from rivers or reservoirs.

London is in the driest part of the UK and regularly has hose pipe bans if there is a shortage of water.

London has a big problem with water leaks. Cracked pipes mean that enough water leaks out onto roads to fill Wembley Stadium every 36 hours.



Each Londoner produces an average of 2.2kg of waste per day. This is quite high compared with the rest of the world. We are very bad at recycling it. Currently only 34% of our waste is recycled, which is lower than the UK average of 43%. Our landfill sites are also full up and we have to ship some of our waste to China.



People in the richest 10 percent of people in London earn 4 times more than people in the poorest 10 percent. Many people find it very hard to afford to buy a house in London because the house prices are so very high.



Although London has many traffic problems and air pollution issues linked to traffic, the number of miles driven per person has fallen by 37% in the past 10 years. This is partly because of the improvements in public transport and policies such as the Congestion Charge that aim to reduce traffic. Also, more and more young Londoners are choosing not to drive or own cars. Londoners drive an average of under 6000 miles per head and walk further than people in the rest of the UK.



The population density in London is 1,510 people per square kilometre. This is quite low, meaning people have a large amount of land per person. It is partly because a large part of London is parks such as Wandsworth Common or Hyde Park. A 'greenbelt' is a line drawn around the edge of the city to stop it growing further out into the countryside. Some people think this line will be moved further out as London's population continues to grow.

How urban transport strategies are used to reduce traffic congestion

Sustainable Transport:

This involves maintaining the standard of transport that is required for society and the economy to function efficiently, without putting too much pressure on the environment.

Traffic congestion causes a number of issues from air pollution. The following impacts are in London...

Environmental issues include:

- Surpasses EU targets set annually. In 2017 **Brixton Road** breached annual air **pollution** limit in just five days into the year.
- Releases nitrous oxide and carbon dioxide which is a greenhouse gas, thus contributing to climate change

[Use this video link for more information!](https://www.youtube.com/watch?v=PmBPBJqncI)
<https://www.youtube.com/watch?v=PmBPBJqncI>
Or use the QR code to the right >>>



Social issues include:

- 30,000 deaths annually
- Respiratory diseases
- Reduces lung function

With these impacts in mind, it is necessary to try and reduce traffic congestion in cities. London has done a number of things to try and reduce traffic congestion in the city...

Encouraging Cycling: Blue Cycle Superhighways & Boris Bikes

London has a network of blue cycle superhighways - blue cycle lanes along major roads leading into Central London.

Eg. One follows the route of the Northern Line from Tooting, through Balham and Clapham to the City.

The 'Boris Bikes' cycle hire scheme has over 10,000 bikes and over 7000 docking stations throughout Central London, allowing people to use bikes instead of cars/cabs for short journeys.

In 2014 there were 23million journeys made by bike. However people argue that cycling safety in London is poor, in 2014 there were over 400 serious injuries or deaths.



Increasing use of public transport: Buses

London has over 9000 buses operating over 600 routes. It is the cheapest and most accessible form of public transport for many people, however it can take very long and still creates lots of air pollution.

Discouraging car use: The Congestion Charge

£10 fee to enter Central London by car between 7am and 6.30pm Monday - Friday.

Introduced February 2003 and is one of the largest congestion charge zones in the world.

The charge aims to reduce congestion and to raise investment funds for London's public transport system.

It has reduced car use in Central London by 30% and paid for over 300 extra buses. Bus use has increased by 67%.

The Charge makes £89 million each year to pay for extra tubes and buses. However local businesses argue it has lost them a lot of trade, and many people still feel it takes a long time to travel through central London.



Increasing use of public transport: tube

London was one of the first cities to have a tube, it carries people quickly and conveniently all over the city. Over 4.8million people use it every day. However it is the most expensive underground network of any major world city and can often be hot, and cramped.



TEST YOURSELF! (using this page and the last page) can you:

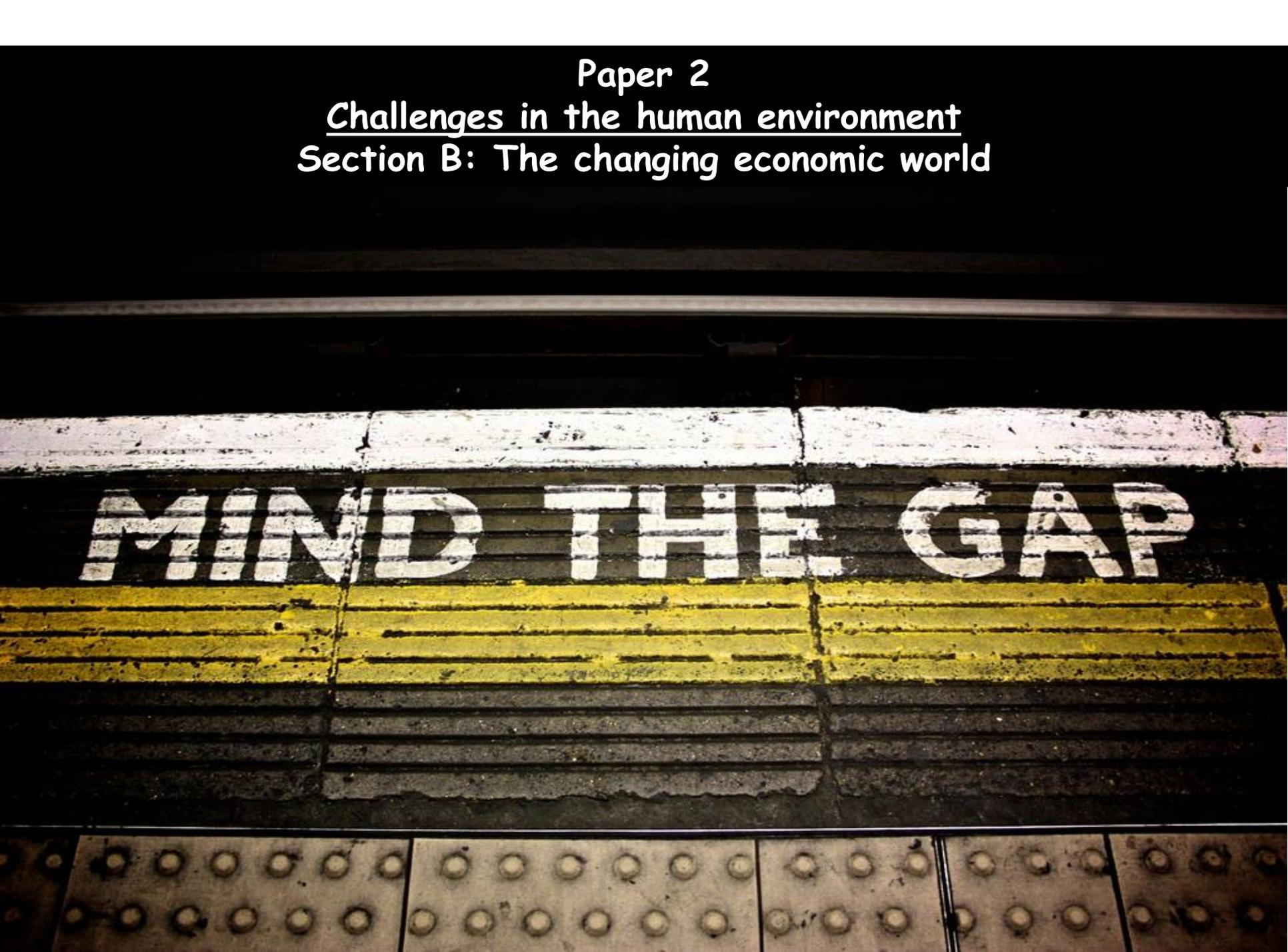
- Explain why traffic congestion is a problem
- Explain the strategies used to try and reduce traffic congestion in London
- Evaluate the strategies used in London

Unit 2A - Urban Challenges Exam Questions

- Describe and explain the disadvantages of building new housing on brownfield sites. (4)
- Suggest two pull factors that encourage people to move cities. (2)
- 'A city of opportunities and challenges.' Explain why this fact makes it difficult for Lagos to overcome its economic challenges (6)
- Using a named example, discuss the challenges created by urban growth. (9)
- What is the definition of an 'emigrant'? (1)
- Use a named example to explain how squatter settlements can be improved (6)
- Explain why the authorities in Lagos have to cope with such a range of social challenges. (4)
- Suggest why there is such a low rate of urbanisation in rich countries and why some show evidence of counter urbanisation. (6)
- Explain how migration has been responsible for the growth of Lagos' population (6)
- Describe how the Liverpool region is providing homes for its growing population. (4)
- How successful has Liverpool been in overcoming its challenges (4) Explain why Liverpool was in need of regeneration. (4)
- What is the definition of urbanisation? (1)
- Explain how Liverpool's growth has been affected by migration. (4)
- What is a squatter development? (1)
- Explain how the changes in Liverpool can prove positive for the people of the city. (4)
- Describe the challenges caused by urban growth in cities in LICs. (2)
- Evaluate why housing for the urban poor will prove to be a great challenge for the authorities in Lagos (6)
- Explain how housing and other social problems can be improved in an LIC you have studied. (9)
- Explain how the distribution of population in the UK reflects both physical and human geographical factors (6) Outline how the quality of life for Lagos' population can be improved. (6)
- What is a megacity? (1)
- Suggest reasons for a difference in the rate of urbanisation in HICs vs LIC. (6)
- For a UK urban regeneration project, you have studied, explain how the area has been improved? (4)
- 'The regeneration of ? has been a success'. Discuss this statement (9)
- For any named example, evaluate the strategies used to manage traffic congestion (6)
- Explain why city planners must consider more than just the environment to achieve urban sustainability. (6)
- Discuss how the growth of Lagos creates both opportunities and challenges. (9)
- Explain why aid in India may not be used effectively. (4)
- Suggest two reasons for the slow rate of urban growth in many higher income countries (HICs). (2)
- To what extent do urban areas in lower income countries (LICs) or newly emerging economies (NEEs) provide social and economic opportunities for people? (6)
- Discuss the effects of urban sprawl on people and the environment.
- Use a case study of a major city in the UK. (6)
- Explain one economic problem caused by traffic congestion. (2)
- Evaluate the effectiveness of an urban transport scheme(s) you have studied. (9)

Paper 2

Challenges in the human environment Section B: The changing economic world



MIND THE GAP

Unit 3.2: Challenges in the human environment

Section 3.2.2: The changing economic world

Key Ideas	Specification Content	e	e	e
There are global variations in economic development and quality of life.	Different ways of classifying parts of the world according to their level of economic development and quality of life.			
	Different economic and social measures of development: gross national income (GNI) per head, birth and death rates, infant mortality, life expectancy, people per doctor, literacy rates, access to safe water, Human Development Index (HDI).			
	Limitations of economic and social measures.			
	Link between stages of the Demographic Transition Model and the level of development.			
	Causes of uneven development: physical, economic and historical.			
	Consequences of uneven development: disparities in wealth and health, international migration.			
Various strategies exist for reducing the global development gap.	An overview of the strategies used to reduce the development gap: investment, industrial development and tourism, aid, using intermediate technology, <u>fairtrade</u> , debt relief, microfinance loans.			
	An example of how the growth of tourism in an LIC or NEE helps to reduce the development gap.			

Unit 3.2: Challenges in the human environment

Section 3.2.2: The changing economic world

<p>Key Ideas Some LICs and NEEs are experiencing rapid economic development which leads to significant social, <u>environmental</u> and <u>cultural</u> change.</p>	<p>Specification Content A case study of one LIC or NEE to illustrate:</p> <ul style="list-style-type: none">- the location and importance of the country, regionally and globally- the wider political, social, cultural and environmental context within which the country is placed- <u>the</u> changing industrial structure. The balance between different sectors of the economy. How manufacturing industry can stimulate economic development<u>the</u> role of transnational corporations (TNCs) in relation to industrial development. Advantages and disadvantages of TNC(s) to the host country- the changing political and trading relationships with the wider world- international aid: types of aid, impacts of aid on the receiving country- the environmental impacts of economic development<u>the</u> effects of economic development on quality of life for the population.	e	e	e
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Unit 3.2: Challenges in the human environment

Section 3.2.2: The changing economic world

Key Ideas	Specification Content	Ⓔ	Ⓕ	Ⓖ
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: Causes of economic change: de-industrialisation and decline of traditional industrial base, globalisation and government policies			
	Economic futures in the UK: Moving towards a post-industrial economy: development of information technology, service industries, <u>finance</u> , research, science and business parks.			
	Economic futures in the UK: Impacts of industry on the physical environment. An example of how modern industrial development can be more environmentally sustainable			
	Economic futures in the UK: Social and economic changes in the rural landscape in one area of population growth and one area of population decline			
	Economic futures in the UK: Improvements and new developments in road and rail infrastructure, port and airport capacity			
	Economic futures in the UK: the north-south divide. Strategies used in an attempt to resolve regional differences			
	Economic futures in the UK: 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.			

Unit 2B - Changing Economic World

This section includes:

- Measuring Development
- Uneven Development and reducing the gap
- Economic Development in the UK

Case Studies/Mini Examples:

- Kenya tourism (LIC)
- Development in Nigeria (NEE)
- Economic change in the UK (HIC)

- There will be a 9 mark question in this section

Unit 2B - Changing Economic World - Case studies and examples

Section/ Topic:	EG or Case Study:	Concepts covered:	Question types:
2B Economic	Tourism in Kenya (East African LIC)	<ul style="list-style-type: none"> Using tourism to reduce the development gap (to boost the economy and become a NEE) Advantages/Disadvantages 	<ul style="list-style-type: none"> 6-9 marks Evaluate the effectiveness of tourism as a strategy to reduce the development gap
2B Economic	Shell TNC (Nigeria - a NEE in West Africa)	<ul style="list-style-type: none"> Using TNCs to reduce the development gap (to boost the economy and become a NEE) Advantages/Disadvantages 	<ul style="list-style-type: none"> 6-9 marks Evaluate the effectiveness of TNC's as a strategy to reduce the development gap
2B Economic	Nigeria (a NEE in West Africa)	<ul style="list-style-type: none"> Economic development How is Nigeria narrowing the development gap/becoming a NEE? Changing industrial sectors TNCs (Shell- see above) Foreign relations Using aid Impact of the change on people and the environment 	<ul style="list-style-type: none"> 6-9 marks Evaluate the effectiveness of TNC's as a strategy to reduce the development gap Impact on the environment from Industrial development
2B Economic	UK (HIC in Europe)	<ul style="list-style-type: none"> Changing industrial sectors Science parks Issues <ul style="list-style-type: none"> North-south divide Changes in rural areas Management <ul style="list-style-type: none"> Government Transport Trade links Brexit Environmental effects and management 	<ul style="list-style-type: none"> 6-9 marks Evaluate the effectiveness of ... as a strategy to reduce the differences in wealth/ N/SDivide Impact on the environment from Industrial development

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

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

First, Second and Third World Countries (UN - 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.*



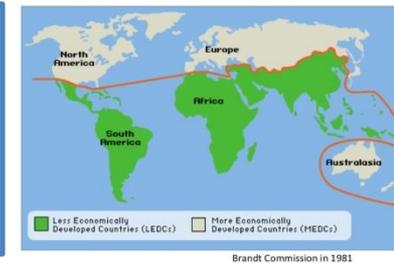
Quality of life:
The general well-being of a person or society, defined in terms of health and happiness, rather than wealth

North/South Divide (Brandt - 1971)

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).

- *It is too simple - large variations in wealth are hidden in both the rich North and poor south*
- *It is geographically incorrect e.g. Australia is in the South*
- *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.*



Economic development:
The adoption of new technologies, transition from agriculture-based to industry-based economy, and general improvement in living standards and wealth of a country

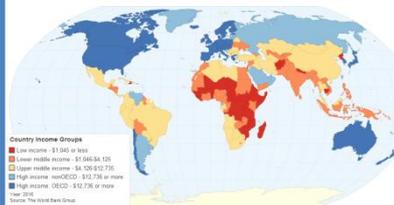
Income based classification

HIC - High Income Countries - These are richer countries that have lots of industry and service jobs such as the UK and Japan.

LIC - Low Income Countries - These are poorer countries that have mainly primary jobs such as farming and mining. Countries include Bangladesh and Mali.

NEE - Newly Emerging Economy - These countries are those that have developed fastest over the latter part of the 20th Century, profiting from globalisation and technology transfer (Taiwan, Singapore, India).

- *Still hides huge differences*
- *Better as it considers countries that are growing e.g. BRICs*
- *Based purely on income*



Fivefold Proposal

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.

- *Difficult to know where some countries fit*
- *Better than pigeon-holing countries*

What is the problem of using a single indicator?

Most classifications of countries hide significant differences within these 'categories', as well as huge disparities within countries.

TEST YOURSELF! Can you:

- Define key terms
- Explain different ways level of development is classified
- Evaluate the ways countries are classified.

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

Different economic and social measures of development: gross national income (GNI) per head, birth and death rates, infant mortality, life expectancy, people per doctor, literacy rates, access to safe water, Human Development Index (HDI) and limitations of economic and social measures.

Indicators are used to illustrate progress of a country in meeting a range of economic, social, and environmental goals. There are a number of development indicators that you need to know, and you should be able to evaluate their usefulness in measuring a country's level of development.

HDI

The Human Development Index (HDI) is a composite development indicator (includes more than one thing) that combines life expectancy at birth, education and income. The HDI was created to emphasise that people and their capabilities should be the ultimate criteria for assessing the development of a country, not economic growth alone. It was created by the UN and seen as a useful way to assess a country's level of development as it takes into consideration more than one measure. It is a **social** measure. It is expressed in value 0-1 where 1 is the highest.

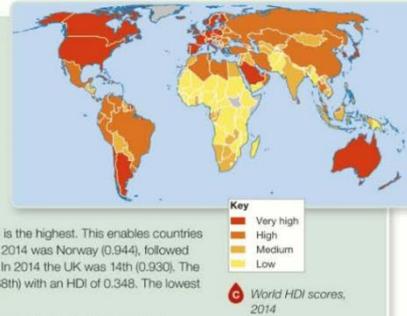
Human Development Index (HDI)

Devised by the United Nations, HDI links wealth to health and education. It aims to show how far people are benefiting from a country's economic growth. It is a **social** measure. Measures used to produce the HDI are:

- life expectancy at birth
- number of years of education
- GNI per head.

The HDI is expressed in values 0-1, where 1 is the highest. This enables countries to be ranked. The highest-ranked country in 2014 was Norway (0.944), followed by Australia (0.935) and Switzerland (0.930). In 2014 the UK was 14th (0.930). The lowest-ranked country in 2014 was Niger (188th) with an HDI of 0.348. The lowest ten countries were all in Africa.

Map C shows the pattern of development according to the HDI, using four categories of development.



There are links between indicators. For example, lack of access to safe water leads to disease, disease can lead to absence from school, a lack of education can lead to a lifetime of poverty. What other links can you identify?



Other measures of development

Gross national income (GNI) per head: The total value of a country's goods, services and overseas investments divided by the number of people in that country.

Birth rate: The number of births per 1000 people per year

Death rate: The number of deaths per 1000 people per year

Infant mortality: The number of babies (<12 months) dying per 1000 live births

Life expectancy: The number of years a person is expected to live, from birth.

People per doctor: Population divided by number of doctors available

Adult literacy rate: The % of adults able to read or write

Access to safe water: How many people have access to safe water

How useful are the measures of development?

Some of the measures shown in table A are more useful than others.

- **Birth rate** is a reliable measure. As a country develops, women are likely to become educated and want a career rather than staying at home. They marry later and have fewer children.
- **Death rate** is a less reliable measure. Developed countries such as the UK, Germany and Japan tend to have older populations and death rates will be high. In less developed countries, such as the Ivory Coast or Bangladesh, death rate may be lower because there are proportionally more young people.
- **Infant mortality rate** is a useful measure of a country's health care system.
- The number of doctors per 1000 people indicates how much money a country has for medical services.
- A high **literacy rate** shows a country has a good education system.
- A high percentage of access to clean water shows a country has modern infrastructure, such as dams, reservoirs and water treatment plants

An indicator with several variables, such as the Human Development index (HDI) or the Physical Quality of Life Index (PQLI), combines social and economic factors. These indicators are generally more useful.

TEST YOURSELF! Can you:

- Define measures of development
- Explain why HDI is more useful than a single indicator
- Evaluate the usefulness of different indicators
- Explain the limitations of social and economic measures

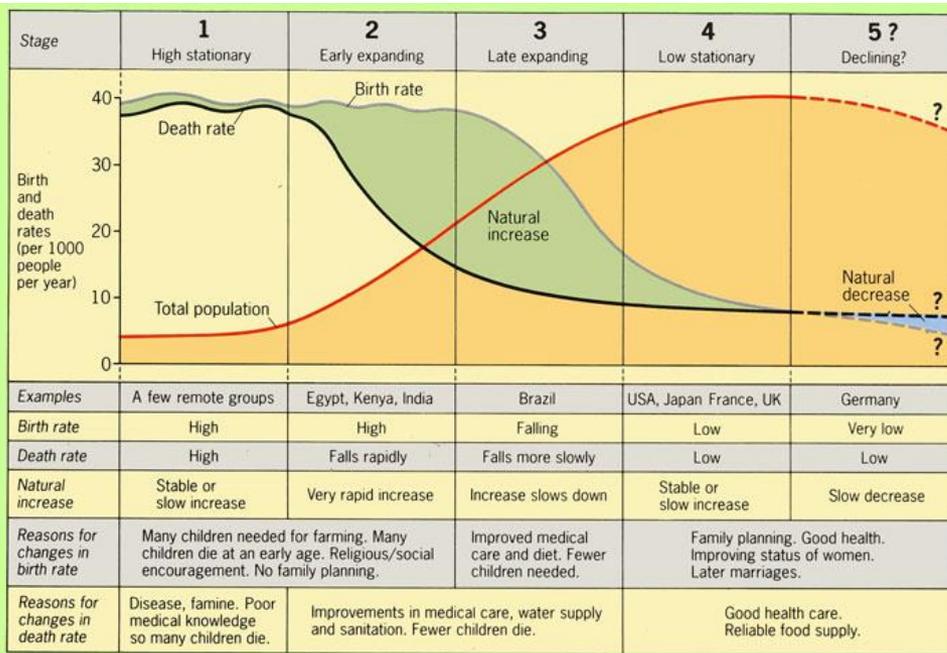
What are the limitations of economic and social measures?

- Data can be out of date or hard to collect
- Data may be unreliable (for example, infant mortality in some locations is often much higher than figures given)
- They only focus on certain aspects of development any may not take into account subsistence or information economies which are important in many countries
- Government corruption may mean that data is unreliable

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

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

The Demographic Transition Model (DTM) shows changes over time in the population of a country. It is based on the changes that took place in western countries such as the UK. The gap between birth rate and death rate is called natural change. This usually shows a natural increase in population but in stage 5 a natural decrease happens. The total population of a country responds to variations in birth and death rates. It will also be affected by migration (both immigration - people moving in, and emigration - people moving out). This is not shown on the DTM. As a country becomes more developed its population characteristics change, as shown by the DTM.



Countries at different stages of development

Stage 1: Traditional rainforest tribes
In parts of Indonesia, Brazil and Malaysia, small groups of people live separately with little contact with the outside world. They have high birth and death rates (photo B).



Stage 2: Afghanistan
Afghanistan is one of the poorest and least developed countries in the world. Its birth rate is 39 per 1000 and its death rate is 14 per 1000. About 80 per cent of the population are farmers who need children to support them in the fields and tending livestock.

Stage 3: Nigeria
Nigeria is a newly-emerging economy (NEE) experiencing economic growth. The death rate is much lower than birth rate (see page 220). The country's population is growing rapidly.



Stage 5: Germany
Germany is a well-developed country experiencing population decline as death rate exceeds birth rate. The birth rate is 8.2 per 1000 - the lowest in the world. Women have careers and have few children. With an ageing population, Germany's death rate (11.2 per 1000) will continue to rise (photo C).

Stage 4: USA
The USA is one of the most developed countries in the world. Good-quality health care means death rates are low (8 per 1000). Women tend to have small families, choosing to study and follow careers. Therefore, birth rate is low (13 per 1000) Population growth is due mainly to immigration.

Strengths of DTM	Weaknesses of DTM
It is a great model for anyone living in the UK as it is based on the UK and we can relate this directly to our country.	Governments have acted upon population data and brought about much swifter change to their population, as evidenced in China with its one child policy and in Mauritius with its family planning program.
It is simple to understand, dynamic and changes over time, so can be adjusted for future changes.	Many countries simply have not moved from stage one, despite other changes occurring in their countries. The model is based upon Western "industrial" economies. It doesn't work as well for countries that have not followed this pattern of development.
Other developed countries such as Japan and France have followed almost exactly the same demographic pattern.	The importation of technology (e.g. vaccinations) means that death rates can fall much more rapidly than has been observed in Europe.
NICs have followed a similar pattern, BUT have progressed through the model at a faster rate than the UK.	Some countries actually GO BACK stages on the model in real life! In the Zimbabwe case study huge strides had been made but under Robert Mugabe over the past 2 decades Zimbabwe has slipped back due to famine, internal strife and HIV and AIDS.

TEST YOURSELF! Can you:

- Explain what is happening at each stage of the DTM
- Give examples of countries at each stage of the DTM
- Explain how each stage of the DTM links to a country's level of development
- Evaluate the DTM

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

Causes of uneven development: **physical**, economic and historical.

There are a number of reasons why there are global variations in wealth. These can fit into three categories; physical, economic and historical. You need to know examples for all three. This page will cover the **physical** reasons.

Physical causes of uneven development

- A poor climate
- Poor farming land
- Few raw materials
- Lots of natural hazards
- Lack of coastline

LOTS OF NATURAL HAZARDS

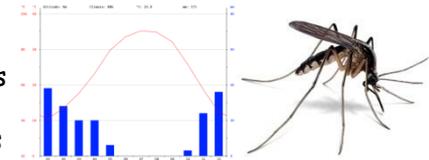
A natural disaster is a natural hazard that has actually happened. Countries that have a lot of natural disasters (e.g. Bangladesh that floods regularly) have to spend a lot of money rebuilding after disasters occur. The earthquake in Haiti in 2010 killed 230,000 people. Since then the country has struggled to develop.

As such natural disasters reduce quality of life for the people affected and reduce the amount of money the government has to spend on development projects.

Although it is important to remember countries with high levels of development suffer from hazards too e.g. USA and Japan.

POOR CLIMATE

The influence of climate on development is not very clear. For every poor, hot desert country like Chad there is a rich one like Saudi Arabia. The same is true of tropical rainforest countries: while central Africa's equatorial climate can be viewed as a development challenge, Brazil is the world's 8th largest economy. However if a country has extreme climates (really hot or really cold) not much will grow. As such, this reduces the amount of food produced. This can lead to famine and malnutrition, for example South Sudan and Ethiopia. People also have fewer crops to sell, so less money to spend reducing quality of life. Tropical regions also suffer more from climate-related diseases than temperate zones, for example Ebola and malaria.



POOR FARMING LAND AND FEW RAW MATERIALS

If the land in a country is steep or has poor soil (or no soil) then they won't produce a lot of food. This has the same effect as a poor climate.

As well as this countries without many raw materials such as coal, oil and metal ores tend to make less money as they have fewer products to sell. This means they have less money to spend on development.

Some countries do have a lot of raw materials but still aren't very developed because they don't have the money to develop the infrastructure to exploit them (e.g. roads and ports)



LACK OF COASTLINE

There is quite a strong link between the lack of a coast and lower levels of development. With a few exceptions, the world's 45 landlocked countries are LICs or NEEs. These landlocked countries (countries without a coast) depend on neighbouring countries to import/export goods as they are unable to trade goods easily without ports.



TEST YOURSELF! Can you:

- Explain in detail the physical factors that cause development to be uneven
- Give examples of physical factors that result in uneven development

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

Causes of uneven development: physical, **economic** and historical.

There are a number of reasons why there are global variations in wealth. These can fit into three categories; physical, economic and historical. You need to know examples for all three. This page will cover the **economic** reasons.

Economic causes of uneven development

- Poor trade links
- Primary based produce economy
- Lots of debt
- Lack of education and other infrastructure

PRIMARY BASED PRODUCT ECONOMY

Poorer countries usually export **primary goods** for low prices. Richer countries will then process these, adding more value to the products and therefore make more profit.

Raw products are not worth that much profit. Countries that export **manufactured goods** tend to be more developed. This is because you make more profit.

The price of raw materials also fluctuates quite a lot - sometimes the price falls even below the cost of production.

The price of cocoa beans halved in the 1990's as a result of overproduction which slowed down economic development for Ghana and the Ivory coast.

Since people don't make much money, people aren't paying much in taxes, and so the government has less to spend on development. (**Primary goods:** Raw materials such as wood, stone, coffee, cocoa beans.

Manufactured goods: Products that used to be raw materials but have been made into something e.g. Chocolate bar, table, jewellery)

POOR TRADE LINKS

Trade is the exchange of goods and services between countries. World trade patterns (who trades with whom) seriously influence a country's economy and so affect their level of development.

If a country has poor trade links (it trades a small amount with only a few countries) it won't make a lot of money, so there'll be less for the government to spend on development.

As well as this, global trading policies do not favour the poor. HIC countries that buy goods from LIC and NEE countries add **tariffs** to imports, making it more expensive for them to trade. Tariffs are extra taxes put on goods that are imported, making it more expensive for LICs to sell to HICs. The World Trade Organisation (WTO) has been criticised for not doing enough to make trade fair.

Poor trade links (economic) and lack of coastline (physical) link together. *Can you make any other links between causes?*



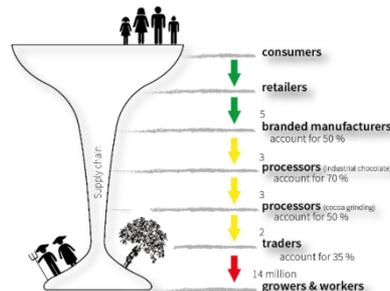
LOTS OF DEBT AND LACK OF HEALTH AND EDUCATION

Very poor countries borrow money from other countries and international organisations such as The World Bank and International Monetary Fund (IMF). This could be to cope with the aftermath of a natural disaster, or to help set up development projects. This money has to be paid back, and sometimes with interest (a % of what has been borrowed has to be paid back on top of the borrowed amount).

When a country is in debt, any money that a country makes ends up being used to pay back the debt, so isn't used for development.

TEST YOURSELF! Can you:

- Explain in detail the economic factors that cause development to be uneven
- Give examples of economic factors that result in uneven development



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

Causes of uneven development: physical, economic and historical.

There are a number of reasons why there are global variations in wealth. These can fit into three categories; physical, economic and historical. You need to know examples for all three. This page will cover the **historical** reasons.

Historical causes of uneven development

- Colonisation
- Conflict and war

COLONISATION

During the 1700s and 1800s (and earlier in some cases) most of the 'global south' was colonised by European nations. South American, Asian and African cultures were badly affected, especially those that become part of the transatlantic slave trade. European nations such as Britain, France and Spain controlled the economies of their colonies, removed raw materials and sold back expensive goods.

Although colonialism ended, for the most part, in 20th century, independence can sometimes create new problems. The Democratic Republic of Congo (DR Congo) gained independence from Belgium in the 1960s, but there were just 14 university graduates in the whole country as a result of the Belgians badly neglecting the education system. Power struggles often took place in newly independent countries, particularly when rich natural resources such as diamonds were at stake. As well as this, it made some countries dependant on Europe, and when countries gained independence this led to famine and malnutrition. The legacy of colonialism is still apparent in many old colonies. Lots of countries still have economies based around raw materials, and political instability still exists in many countries too. Niger is a former French colony. In 2014 it was the least developed country in the world and has experienced severe political instability.



CONFLICT

Conflict is still a major barrier for development for some LICs. Wars, especially civil wars, can slow or reduce levels of development even after the war is over. E.g. Healthcare becomes worse and infant mortality increases. Children in conflict affected areas are unable to attend school. Without an education this limits the opportunities of people for a long time even after the conflict has ended. In 2013 it is estimated that 28.5 million primary school age children were living in conflict affected areas. Money is spent on arms and fighting instead of development. Damage is done to infrastructure and property.

Some political problems are a result of the way ancient African, Asian and Middle Eastern countries were divided and reassembled in ways by competing European countries. The modern borders of these countries don't fit with the distribution of different ethnic groups. 5 million deaths have been linked to ethnic conflicts in DR Congo, Uganda and Rwanda in the 1990s.



How do these cartoons relate to the causes of uneven development (physical, economic and historical)?

TEST YOURSELF! Can you:

- Explain in detail the historical factors that cause development to be uneven
- Give examples of historical factors that result in uneven development
- Assess which factors you think are most significant of all causes

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

Consequences of uneven development: **disparities in wealth and health**, international migration.

There are many consequences of uneven development. You will need to know about how uneven development results in **disparities in wealth and health**, and international migration. This page will cover **disparities in wealth and health**.

DISPARITIES IN WEALTH

- There are huge variations in wealth globally, between countries. In the UK the average income is 40 times higher than Chad.
- Between 2015 and 2035 100 million adults are due to enter the workforce because of a continuing rapid natural increase in Nigeria, yet unemployment in 2014 in this age group was already 75%. This indicates inequality will remain for some time.
- Average LIC incomes increased by 11% between 1990 and 2010, yet family incomes are more unevenly distributed in 2016 than in the 1990s.
- In 2000 the richest 1% of global citizens owned 40% of global assets. By 2014 the 85 richest people in the world controlled the same amount of wealth as the poorer 50% of the world (over 3.5 billion). Oxfam predicts that figures will show that the richest 1% control 50% of the global economy.
- As well as huge variations in wealth between countries, there is also huge variation within countries. India's richest 10 per cent have been getting steadily richer since 2000, and now hold nearly three-quarters of total wealth.

DISPARITIES IN WEALTH

- Infant mortality is much higher in LICs. In the UK it is 4 per 1000 births. In Chad it is 85 per 1000 births.
- Main causes of death in HICs are heart and lung diseases, cancer, diabetes and dementia. Many diseases are caused by 'luxuries' that we can afford such as alcohol, cigarettes and unhealthy food (although it is important to remember not always the cause).
- Incidence of diseases such as HIV/AIDS and malaria are much more prevalent in LIC countries as a result of greater awareness and better access to preventative measures.
- People in HICs tend to live longer than people in LICs. Japan's life expectancy is 85. In Somalia it is only 52.
- The types of diseases that are life threatening in LICs and NEEs are often easily treatable in HICs, or people are vaccinated against them. For example diarrhoea, dysentery and tuberculosis.

How does wealth affect health?

- *Better healthcare - emergency services, hospitals, clinics etc*
- *More doctors being trained = lower patient per doctor ratio*
- *More research into diseases and vaccinations*
- *More access to medicine and vaccinations*
- *Better treatment, better equipment, better quality training*
- *Lower infant mortality rates and lower death rates*
- *Longer life expectancy*
- *More knowledge on a healthy lifestyle and a better quality diet*
- *More knowledge on how to protect from diseases such as HIV/AIDS and malaria*

It is important to remember that many problems faced by LICs are connected to one another.



TEST YOURSELF! Can you:

- Explain what disparities in wealth and health are
- Give examples of disparities in wealth and health
- Explain how disparities of wealth and health link together

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

Consequences of uneven development: disparities in wealth and health, **international migration**.

There are many consequences of uneven development. You will need to know about how uneven development results in disparities in wealth and health, and international migration. This page will cover **international migration**.

INTERNATIONAL MIGRATION

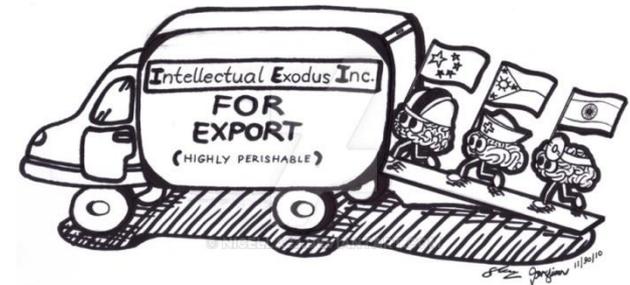
At a global scale uneven development leads to unequal flows of people between places. We are going to be focusing on **INTERNATIONAL MIGRATION** rather than **INTERNAL MIGRATION**. This is when people move from country to country.

HOW DOES UNEVEN DEVELOPMENT RESULT IN INTERNATIONAL MIGRATION?

- Niger, which is the world's poorest country, has a fertility rate (average number of children a woman has) of 7.6 (the UK's is 1.83). It's population growth is 3.6%, by 2050 it's population is expected to have tripled (increased by 3). At the same time **Niger** cannot afford to invest properly in it's education to train all these young people and it **cannot provide enough work for them**. As such there are many young people who are **unemployed** and look for work elsewhere.
- **Senegal**, one of the most stable and successful countries in Africa, has a similar problem. Roughly 50% of it's population are below 24 years old, **there simply aren't enough jobs therefore people look for work and income elsewhere**.
- **Desertification** - where the land dries up and turns to desert as a result of climate change and human farming - is a huge issue, by 2020 over 50million people in sub-Saharan Africa will be effected. **This will lead to a widespread lack of food**. Moreover, many people in these countries rely on primary industry as an income as a result of uneven development. If they are unable to crops, they will not be able to earn money.
- Others flee due to **war and conflict**. **Somalia, Eritrea, and South Sudan** all have a history of recent conflict - 50,000 people are estimated to have died in South Sudan's 2 year civil war. These wars and conflict are arguably the result of uneven development. In Eritrea government persecution and forced conscription (having to join the army) cause many people to leave. (Be careful not to confuse this with causes - the two are interlinked! War and conflict can cause unequal development, but can also force people to move).

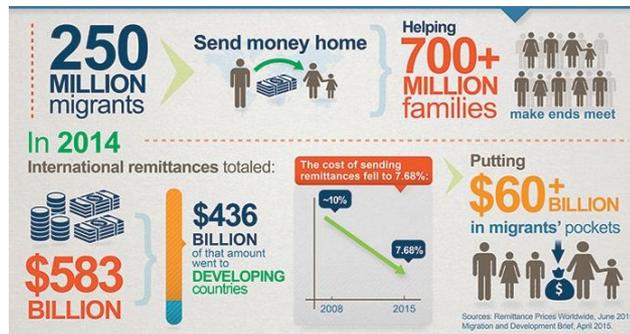
WHAT IS THE PROBLEM WITH INTERNATIONAL MIGRATION?

Brain drain: It's not only poor or desperate people from LICs that migrate. Highly skilled workers also migrate to HICs such as the UK. For example computer engineers from India. The countries they are leaving invested in training them, but they are taking their expertise away from the country 'draining' the country of highly skilled, highly paid workers and thus slowing the country's growth.



WHAT IS GOOD ABOUT INTERNATIONAL MIGRATION?

Remittances: Migrants from poorer countries send money home in the form of remittances. For Nepal, remittances contribute 25% of their GNI!



TEST YOURSELF! Can you:

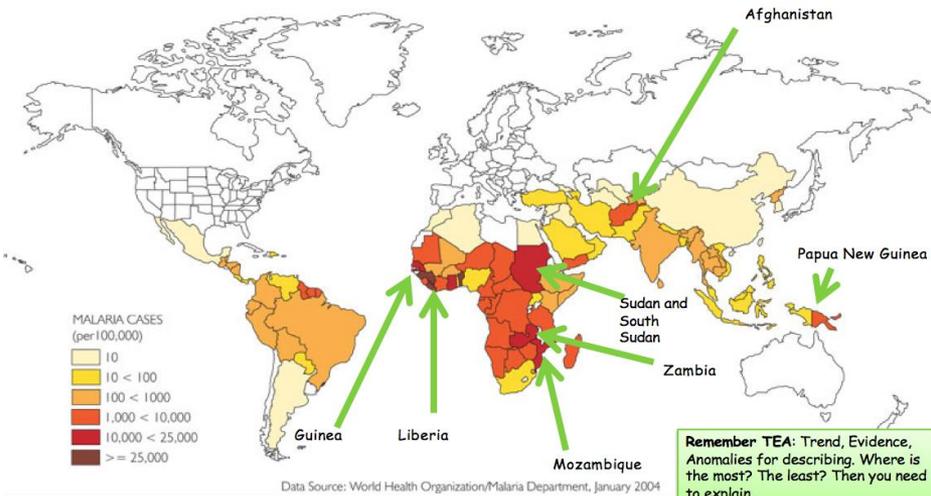
- Explain how uneven development results in international migration
- Explain why international migration is bad for the country people leave
- Explain the positives of international migration

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

Consequences of uneven development: disparities in wealth and health, international migration.

Malaria is a disease that is largely associated with poorer nations. Climate plays a large role in this as it is a tropical disease. As well as this, due to a lack of preventative measures such as mosquito nets LIC populations are more vulnerable to contracting the disease and are less likely to be able to seek medical attention to treat it.

MALARIA CASES (PER 100,000) BY COUNTRY

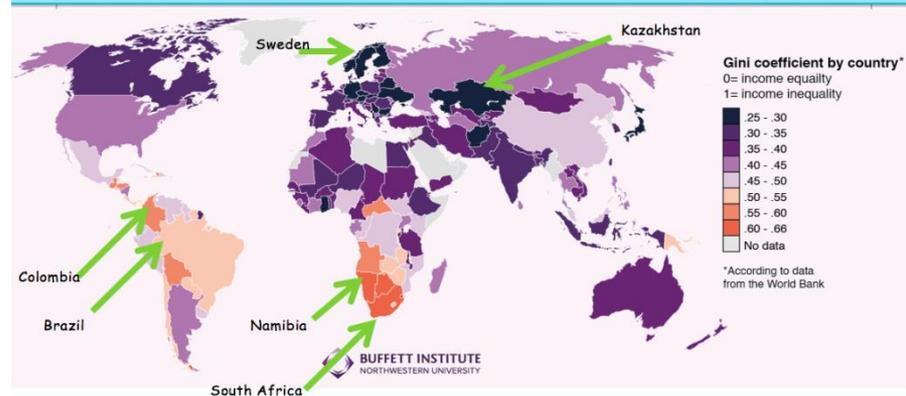


Describe the pattern of malaria cases shown on the map and suggest reasons for this pattern.

TEST YOURSELF! Can you:

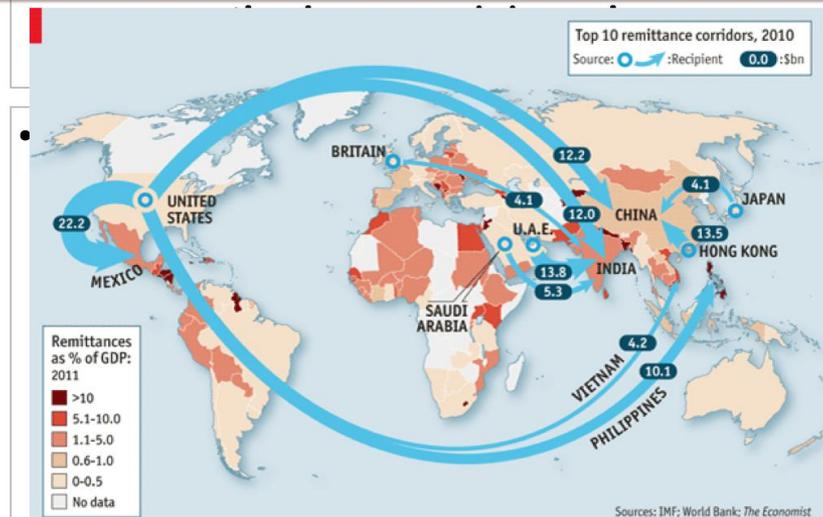
- Practice your map skills using the choropleth maps and flow lines map that link to the consequences of uneven development

Internal disparities in wealth can be studied using the **Gini Coefficient**. This is a ratio with values between 0 and 1.0. 0 would mean that everyone in a place had exactly the same income. A score of 1.0 would mean all the income in a place was controlled by a single person. Generally LICs and NEEs have a high Gini coefficient.



Describe the pattern of inequality within countries around the world.

Key term: Remittances - Often people find work in richer countries which are better paid and send money to families at home.



GEOGRAPHICAL SKILLS: These are flow lines. Flow lines are proportional to the data it represents e.g. the thicker the arrow, the more remittances in this case. This is a skill you could be tested on in your exams. Lets analyse this... Most remittances? Least remittances?

Key idea: Various strategies exist for reducing the global development gap.

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

There are a number of ways in which the development gap can be reduced and quality of life improved. This page will focus on **investment**.

Approaches to reducing the developing gap generally come under the headings of bottom up or top down. **Bottom up** development is small scale. It is community/individual level development. The idea of bottom up is that the benefits will grow from the bottom. If people have more money, they will spend more in the local economy and others will benefit too. **Top down development** tends to be large scale projects with high inputs from governments, global institutions such as IMF and trans-national companies (TNCs). It is based on the idea that the benefits will 'trickle down' through the economy from the top so everyone benefits.

ECONOMIC INVESTMENT

TNCs (trans national companies) produce goods all around the world. The money invested into other countries by TNCs is called **foreign direct investment (FDI)**. It helps development take place in different ways. Local people are employed to build factories or offices. People get jobs in the factories or offices. A **multiplier effect** can develop. This is where investment by a TNC can trigger further investment and help other local businesses thrive, creating work for even more people. Increasingly NEE's have their own TNC's that invest globally too. This is the case for many Chinese and Indian companies who are helping African LICs to develop.

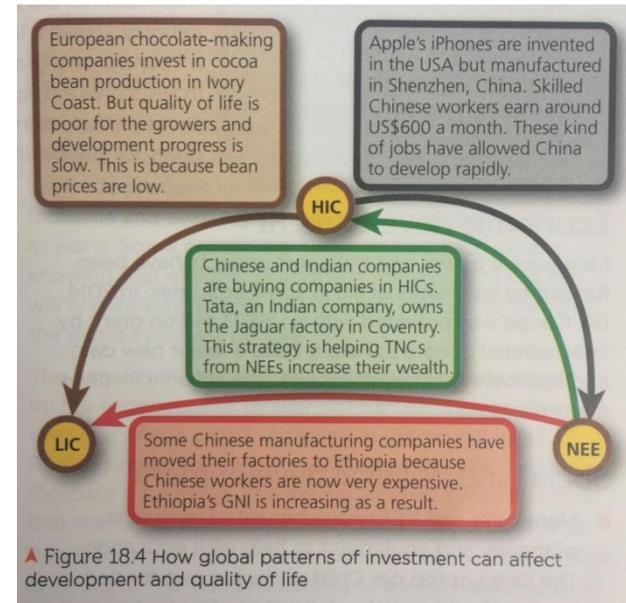
More than 2000 Chinese companies have invested billions of dollars in Africa, mainly in energy, mining, construction and manufacturing.

BENEFITS: New roads, stadiums and other projects have been built all over Africa. Employment opportunities and investment

COSTS: It is argued that China is exploiting the continents resources to benefit China's own economy

TNCs want to locate in LICs and NEEs because...

- They gain access to new markets and customers to more people buy their goods. There is an increasing 'middle class' with disposable income in these countries.
- Cheaper labour. TNCs relocate operations to countries where labour is cheaper so they get more profit. This can lead to exploitation of workers.



TEST YOURSELF! Can you:

- Explain the difference between top down and bottom up development
- Give an example of the strategy
- Explain how investment can reduce the development gap
- Evaluate investment as a method to reduce the development gap

Key idea: Various strategies exist for reducing the global development gap.

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

There are a number of ways in which the development gap can be reduced and quality of life improved. This page will focus on **industrial development**.

INDUSTRIAL DEVELOPMENT

Since many LIC countries only trade in **primary products** (raw materials and agricultural produce) this leaves them vulnerable to poor economic growth. These LICs do not always get a good price, which means they have insufficient money to import important manufactured products from HICs. Development goals are harder to achieve without computers for schools and hospital equipment.

Primary products receive low prices because:

Overproduction - if there are too much of a crop this pushes the price down.

Import taxes - Import tariffs mean it costs a lot to sell to certain countries for LICs.

In contrast, manufactured secondary goods can be sold at a higher price and are less vulnerable to price fluctuations. Value is added to the primary product, increasing profits for manufacturing companies which governments can tax and spend on education and healthcare.

Some countries that encourage industrial development make themselves vulnerable to exploitation. The Rana Plaza factory collapse in Bangladesh and poor working conditions in garment factories worldwide are evidence of poor considerations of safety for workers. Despite this, industrial development can lead to a multiplier effect whereby growth leads to more growth. If people have jobs, they will have more money to spend, further boosting the economy.

China's development since the 1980s demonstrates how much can be achieved by encouraging **industrial development** (moving away from primary sector industry and into manufacturing).

The Chinese government introduced policies that turned the country into 'the workshop of the world'. Industrial development was encouraged, and now China is one of the fastest growing economies in the world. Despite this, huge inequalities still exist. Do the benefits 'trickle down'?



TEST YOURSELF! Can you:

- Give an example of this strategy
- Explain how industrial development can reduce the development gap
- Evaluate industrial development as a method to reduce the development gap

Key idea: Various strategies exist for reducing the global development gap.

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

There are a number of ways in which the development gap can be reduced and quality of life improved. This page will focus on **industrial development**.

AID

International aid is a gift of money, goods or service to a developing country. Unlike a loan, the gift does not need to be repaid. The donor could be a country or a group of countries such as the EU. Other donors could be individuals or non-governmental organisations (NGOs). Aid can be on a large scale or a small scale. Aid can come in many forms such as monetary, provision of better education and healthcare, installation of water pumps for clean water, large scale infrastructure projects. Large scale aid projects often are 'top-down' whilst smaller scale projects take a 'bottom-up' approach. Some sceptics see aid as an extension to colonialism, with HICs remaining the 'rich saviours'. Many LICs and some NEEs have become dependent on HICs for aid.



Examples of aid projects:

- One laptop per child is a part funded by Google. It has helped to distribute free laptop computers to hundreds of thousands of children and teachers in South America and Africa. This helps LICs and NEEs reduce social uneven development as it gives children a better education and better opportunities.
- UN set goal of aid to 0.7% of GDP. UK is 1 of only 6 countries to meet this. The biggest recipients of UK aid are Pakistan, Ethiopia and Nigeria.
- The Tazara railway that links Tanzania and Zambia was funded with international aid from China. India and China provide aid to LICs across Africa. India has spent US\$6 billion on education projects there! The flow of aid from NEEs to LICs is an important new feature of the geography of development. Despite offering aid to Africa, half of India's population are still very poor. India is still in UK's top 10 recipients of aid.

TEST YOURSELF! Can you:

- Give an example of this strategy
- Explain how aid can reduce the development gap
- Evaluate aid as a method to reduce the development gap

For	Against
Emergency aid in times of disaster saves lives.	Aid can increase the dependency of LEDCs on donor countries. Sometimes aid is not a gift, but a loan, and poor countries may struggle to repay.
Aid helps rebuild livelihoods and housing after a disaster.	Aid may not reach the people who need it most. Corruption may lead to local politicians using aid for their own means or for political gain.
Provision of medical training, medicines and equipment can improve health and standards of living.	Aid can be used to put political or economic pressure on the receiving country. The country may end up owing a donor country or organisation a favour.
Encouraging aid industrial development can create jobs and improve transport infrastructure.	Infrastructure projects may end up benefiting employers more than employees.
Aid can support countries in developing their natural resources and power supplies.	It may be a condition of the investment that the projects are run by foreign companies or that a proportion of the resources or profits will be sent abroad.
Projects that develop clean water and sanitation can lead to improved health and living standards.	Some development projects may lead to food and water costing more.

Key idea: Various strategies exist for reducing the global development gap.

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

There are a number of ways in which the development gap can be reduced and quality of life improved. This page will focus on **intermediate technology and microfinance loans**.

INTERMEDIATE TECHNOLOGY

Intermediate technology includes tools, machines and systems that improve quality of life but are also simple to use, affordable to buy or build and are cheap to maintain. It is technology that the community can take ownership of.

An example of this is Wateraid's provision of the Afridev hand pump to help provide clean water. Although the hand pump is not very sophisticated, when a more advanced machine breaks it requires specialist engineers to fix it, leaving local people without water. In contrast, the Afridev pump can be quickly repaired by the community when it breaks down. This contributes to Tanzania's long term development in two ways:

- Life expectancy has increased due to fewer deaths from disease
- Education has improved now children are missing fewer days of schooling due to illness.

Solar cookers are used all over the world today, they focus the sun's rays on the cooking pot. Cheap to make and easy to transport!

Solar powered LED lightbulbs are used in parts of Nepal where the only other lighting options are polluting and dangerous kerosene lamps or wood fires. This allows people to work in their homes or businesses, and children to study after dark. As a result, skills, income and industrial output can increase which helps to reduce the development gap.



TEST YOURSELF! Can you:

- Give an example of these strategies
- Explain how intermediate technology and microfinance loans can reduce the development gap
- Evaluate intermediate technology and microfinance loans as methods to reduce the development gap

MICROFINANCE LOANS

Microfinance is when small loans are given to people in LICs who may not be able to get the loans from traditional banks. The loans enable them to start their own businesses and become financially independent.

Microloans are needed because subsistence farmers find it hard to escape poverty. They only grow enough food for their own needs, rather than selling it. The seeds they use do not always yield good enough crops, the soil they use might not be fertile. Microfinance loans can help to provide farmers with cash to escape the poverty cycle. Microfinance loans must be paid back.

Phones for women in Bangladesh: The Grameen Bank

This is a well-known provider of microloans to women in Bangladesh.

The bank lends \$200 to village women to buy a mobile phone. Other villagers then pay her for the use of it. They might use it to check the price of items at markets in surrounding villages or talk to family who have moved to the city.

It has lent money to 9 million people, 97% of whom are women. This has improved the role of women in many communities. The loans can play a crucial part in kick-starting development at a local level. If enough villages are helped then, in time, a whole country can develop.

Although the scheme appears to work on a small, local level; the impact it has on a larger scale is unclear. When compared to charitable aid, it can be viewed as better as the poor feel as though they are able to stand on their own two feet and provide for themselves, rather than being dependent on others.

Key idea: Various strategies exist for reducing the global development gap.

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

There are a number of ways in which the development gap can be reduced and quality of life improved. This page will focus on **fairtrade**.

FAIRTRADE

The Fairtrade Foundation is very important for people in LICs and some NEEs.

The fair trade movement is all about farmers getting a fair price for goods produced in LICs, e.g. Coffee, cocoa and bananas, allowing them to provide for their families

Companies who want to sell products labelled as "fair trade" have to pay producers a fair price, and also give farmers a price guarantee. This means if the global price of a crop falls, the farmers still receive their regular income, protecting their quality of life.

Buyers also pay extra on top of that a 'social premium' to help develop the area where the goods come from e.g. to build schools, education and health centres.

However there are problems - only a tiny proportion of the extra money reaches the original producers. Most of it still goes to the retailer (shop).

Increasingly consumers in HICs are spending their money on Fairtrade food and goods. Examples of Fairtrade products include chocolate, bananas, wine and even clothing. Some consumers are happy to pay more knowing that a higher % of money is going back to some of the world's poorest. However, due to the high cost many shoppers in HICs avoid buying them. This limits the number of farms or villages that can be part of the scheme.

A good example of a Fairtrade product is Divine Chocolate bars. Divine is the only Fairtrade chocolate company which is 44% owned by cocoa farmers. While Fairtrade ensures farmers receive a better deal for their cocoa and additional income to invest in their community, company ownership gives farmers a share of Divine's profits and a stronger voice in the cocoa industry. They have invested the Fairtrade premium in developing farming communities and farming skills - focusing particularly on water, health, education and sanitation to improve standards of living.



Last year the money from Fairtrade Premium helped pay my son's school fees. Other farmers have tried to copy what we are doing and the quality of the coffee is getting better.



TEST YOURSELF! Can you:

- Give an example of this strategy
- Explain how fairtrade can reduce the development gap
- Evaluate fairtrade as a method to reduce the development gap

Key idea: Various strategies exist for reducing the global development gap.

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

DEBT RELIEF

Debt relief is when some or all of a country's debt is cancelled, or interest rates are lowered. This means they have more money to develop rather than pay back the debt. For example, Zambia (in S Africa) had \$4billion of debt cancelled in 2005. In 2006, the country had enough money to start a free healthcare scheme for millions of people living in rural areas.

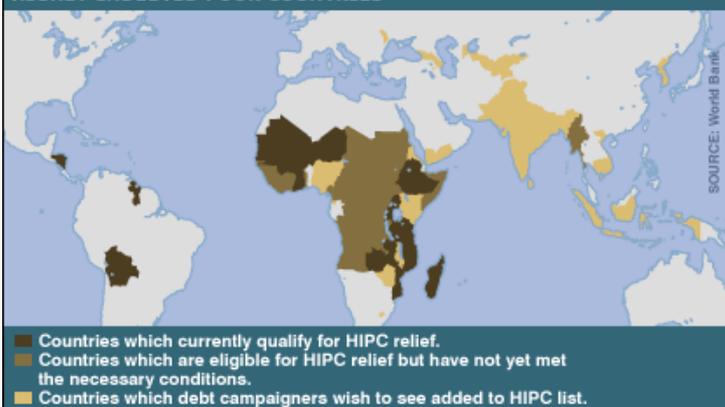
In 2005, the world's richest countries (G8) agreed to cancel the debts of many HICs. To qualify the countries had to:

- Demonstrate they could manage their own finances
- Show there was no corruption in their government
- Agreed to spend the saved money on education, healthcare and reducing poverty.

Between 1960 and 1980 some HICs loaned LICs huge amounts of money to develop their countries. Borrowing large sums of money is not necessarily a bad thing. Countries such as Laos borrowed money to build a dam and will use the hydroelectric power from the dam to pay back the loan and increase its GNI. However, in some cases lending led to serious problems. In Indonesia there was a World Bank funded project for roads, power stations and ports, but lots of money went missing through corruption.

Although organisations such as Oxfam campaign for debt relief, there are some criticisms of debt relief. Some argue that debt relief could be seen as a reward to countries that lack financial discipline and does not give 'the good guys' anything. Although, debt is not written off for countries with bad or corrupt governance. What is more, debt relief comes with tied and complex conditions. Despite this, debt relief should give countries more money to spend on services and infrastructure rather than debt.

HIGHLY-INDEBTED POOR COUNTRIES



What strategy would be best for the following scenarios? Justify your answer.

1. This country is a LIC. It is a landlocked country with poor trade routes. There are often droughts which have led to crop failures.

4. This NEE country has recently been victim to fluctuating coffee prices. Coffee is the main export, however in recent years farmers have not been receiving a good income as global prices have plummeted due to a global surplus.

2. This country is a NEE. It has good trade links and has high economic growth, however there are still huge inequalities that exist here.

5. There is a growing middle class in this country with a large potential market. Many people are becoming more educated, but there is a fear of 'brain drain' as people seek better work elsewhere.

3. This country has a stable government and good trade infrastructure. However it is still stuck in trading in primary industry goods. The country borrowed lots of money to build infrastructure, and now it has huge amounts of debt.

6. This LIC has poor access to water and electricity in many villages. Although people are receiving a fair price for their crops, many people are still dying from polluted water. What is more, the role of women in the community is fairly low.

TEST YOURSELF! Can you:

- Give an example of this strategy
- Explain how debt relief can reduce the development gap
- Evaluate debt relief as a method to reduce the development gap

Key idea: Various strategies exist for reducing the global development gap.

An **example** of how the growth of tourism in an **LIC** or NEE helps to reduce the development gap (part 1 of 2)

KENYA is a country in East Africa with a coastline on the Indian Ocean. It encompasses savannah, Lakelands, the dramatic Great Rift Valley and mountain highlands. Its capital and largest city is Nairobi. It is bordered by Tanzania to the south and south-west, Uganda to the west, South Sudan to the north-west, Ethiopia to the north and Somalia to the north-east.

THE ECONOMY OF KENYA

As of September 2018, economic prospects were positive with above 6% GDP growth expected. The per capita GDP was estimated at \$1,790 in 2018 (UK: \$42,260). Kenya's service sector, which contributes 63% of GDP, is dominated by tourism. The tourism sector exhibited steady growth in most recent years since independence and by the later 1980's has become the country's principle source of foreign exchange. In 2006 tourism generated US\$803 million. Tourist numbers reached a peak of 1.8 million visitors in 2011 before sliding because of murders and terrorist attacks in 2013 and 2014 that prompted travel restrictions and advisories including from England. International tourist arrivals for 2013 were 1.49 million. Despite tourist advisories during the election period, Tourist Arrivals in Kenya increased to 105862 in December from 72573 in November of 2017. Tourist Arrivals in Kenya averaged 81987.29 from 2006 until 2017.



WHY DO PEOPLE VISIT KENYA?

Beach tourism, eco-tourism, cultural tourism, and sports tourism are all part of the tourism sector in Kenya. During the 1990s, the number of tourists travelling to Kenya decreased, partly due to the well-publicised murders of several tourists. However, tourism in Kenya is one of the leading sources of foreign exchange along with coffee. A large proportion of Kenya's tourism centres on safaris and tours of its national parks and game reserves. While most tourists visit for safari there are also cultural aspects of the country to explore in cities like Mombasa and Lamu on the Coast. The Maasai Mara National Reserve is usually where the Maasai Village can be found; a site that most tourists like to visit.



Key idea: Various strategies exist for reducing the global development gap.

An **example** of how the growth of tourism in an **LIC** or **NEE** helps to reduce the development gap (part 2 of 2).

IS TOURISM IN KENYA EFFECTIVE?

Advantages

Tourism contributes to over 12% of Kenya's GDP.
Tourism accounts for 10% of all employment in Kenya.
Money from tourism can be spent on development and improving quality of life.
Improvements in infrastructure- roads, airports, telecommunications, electricity supplies.

Disadvantages

Only a small proportion of money earned goes to locals.
Tourist vehicles damage the environment. Tourism has led to an increase in pollution.
Many jobs are low paid and unskilled.
Local people have been forced off their land to create National Parks.
Economic leakage means much of the money from tourism goes back to HIC's.



HOW HAS TOURISM HELPED TO REDUCE THE DEVELOPMENT GAP?

Overall poverty rates have fallen by 10.5% in the last 10 years. Progress was made in the public sector, economic and fiscal management, civil service and justice reform, and anti-corruption and public procurement reform. Recent data show modest developments in health, notably on HIV/AIDS prevalence (which remains stable) and maternal mortality (which declined considerably). Tourism has contributed to all of this through job creation and by connecting Kenya to other places and their cultures. As a result of the multiplier effect, many people have been able to benefit as a result of tourism in Kenya. As well as hotel workers, people also work at the airport, in restaurants and shops visited by the tourists. Since lots of tourists want to experience the culture, local guides can make money from tourism too. People sell fruit and goods on the beach, and tourists use taxis. All of these people have an income as a result of tourism, improving their quality of life as people are able to afford healthcare, secondary education and goods. As well as this, this money will be spent in the local economy leading to economic development too.

Life expectancy in Kenya has increased dramatically in the last 15 years. Kenyan's can now expect to live an average of 63.4 years, compared to 51 years at the start of the 21st Century.



Police issue alert on terror attack in Kenya

TEST YOURSELF! Can you:

- Explain how tourism can reduce the development gap in Kenya
- Explain how tourism can help the economy
- Explain how tourism has improved people's quality of life in Kenya
- Evaluate tourism as a strategy to reduce the development gap

Key idea: Some LICs and NEEs are experiencing rapid economic development which leads to significant social, environmental and cultural change.

A case study of one LIC or NEE to illustrate: the location and importance of the country, regionally and globally

LOCATION

Nigeria is in East Africa. The bordering countries are Chad, Cameroon, Benin and Niger. It has a coastline on the Atlantic Ocean.

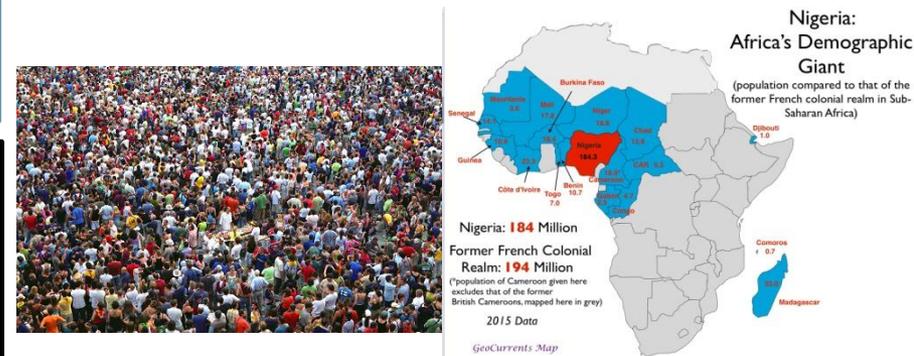


IMPORTANCE - POPULATION

Nigeria is a country in West Africa that is over three times larger than the UK. It lies just north of the Equator, with its south coast on the Gulf of Guinea, which is part of the Atlantic Ocean. Nigeria is sometimes known as the 'Giant of Africa'. With a population of 184 million people (2015), its population is much larger than any other African country, and almost three times the size of the UK's population. During the twenty-first century, Nigeria has graduated from being a low-income country (LIC) to becoming a newly-emerging economy (NEE). In 2014, it overtook South Africa as the largest economy in Africa. Like many other LICs and NEEs, Nigeria's population is growing fast. It has a high proportion of young people and a high birth rate, therefore a high rate of natural increase. In 2015 Nigeria ranked 7th in the world by population, but by 2050 it is predicted to rank 4th in the world.

IMPORTANCE - ECONOMY

In 2001, four countries with the world's fastest-growing economies were identified. They are the BRIC economies - Brazil, Russia, India and China. In 2014 four more countries, following in the footsteps of BRICs, were also identified. These are the MINT economies - Mexico, Indonesia, Nigeria and Turkey. Nigeria is now one of the fastest growing economies in the world. By 2020, it is predicted to become one of the world's top 20 economies. By 2050, it could be ahead of economies like France and Canada. One reason for Nigeria's predicted economic growth is its youthful population. It has a high proportion of educated young people due to start working in the next 20 years. They will provide the country with a plentiful supply of skilled labour to work in manufacturing and services. This is also beneficial to neighbouring countries as investment is bought to the region.



TEST YOURSELF! Can you:

- At what stage would Nigeria be on the DTM?
- Can you describe the location of Nigeria?
- Can you explain why Nigeria is important in terms of its population?
- Can you explain why Nigeria's economy is important?
- Can you explain why Nigeria is important both regionally (in East Africa) and globally (all around the world).

Key idea: Some LICs and NEEs are experiencing rapid economic development which leads to significant social, environmental and cultural change.

A case study of one LIC or NEE to illustrate: the wider political, social, cultural and environmental context within which the country is placed

POLITICAL CONTEXT

In the colonial era Nigeria was ruled by the British. This held back development because they took a lot of the resources and took people as slaves.

In the 1960s and 70s Nigeria had a civil war. This held back development because there was corruption (money was stolen by the rulers) and so no-one wanted to invest in Nigeria.

Since 1990 there has been a stable government that has been voted in through democratic elections. This has helped development because the countries and companies have invested in the country.

However there is still conflict in Nigeria. Boko Haram are an extremist organisation that wants to abolish democracy and set up it's own government. At least 17,000 people have been killed in the conflict since 2002 and over half a million people have fled the region. The rise of Boko Haram has been blamed on inequality, with extremists able to take advantage of the growing gap between rich cities and poor rural areas in Nigeria and exploit this.

Several countries are now starting to invest in Nigeria which could change the political context of Nigeria. China is making major investments in construction in the capital and American companies such as General Electric are investing in new power plants. American corporations such as Wal-Mart, and IT giants and Microsoft are now operating in Nigeria. Such large companies may be able to influence decisions since they provide so much investment for the country.

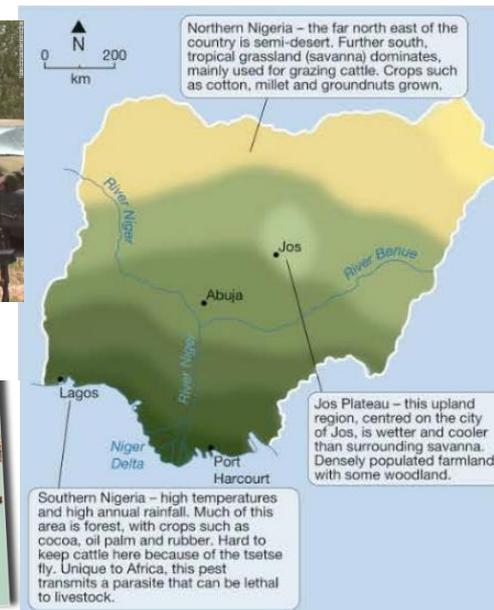
SOCIAL AND CULTURAL CONTEXT

There are more than 500 different ethnic groups in Nigeria, each with its own language. However, there are 3 dominating ethnic groups in Nigeria, these are the Yoruba, Hausa and Igbo. There has been a shift of population from the countryside to the cities. This is called rural-urban migration. As a result, some traditional boundaries have been broken down however ethnic identities and differences still exist. Nigerian music is enjoyed across the continent and beyond, for example Fela Kuti. Nigerian cinema - known as 'Nollywood' - is the 2nd largest film industry in the world, ahead of USA and behind India. In literature, well-known Nigerian writers include Chinua Achebe and Chimamanda Ngozi Adichie.

ENVIRONMENTAL CONTEXT

Nigeria is located 5-12 DEGREES north of the Equator in Africa. The north of Nigeria is semi-desert, called the savanna grassland. The natural vegetation in Nigeria varies from this in the north to tropical rainforest in the south.

The climate is hot and humid in the south and hot and dry in the north. Much of the natural vegetation has been replaced by agriculture, with cocoa and palm oil being grown in the south and peanuts are grown in the south.



TEST YOURSELF! Can you:

- Explain how tourism can reduce the development gap in The Gambia
- Explain how tourism can help the economy
- Explain how tourism has improved people's quality of life in The Gambia
- Evaluate tourism as a strategy to reduce the development gap

Key idea: Some LICs and NEEs are experiencing rapid economic development which leads to significant social, environmental and cultural change.

A case study of one LIC or **NEE** to illustrate: the changing industrial structure, the balance between different sectors of the economy

NIGERIA'S SOURCES OF INCOME

Traditionally primary products had been Nigeria's main source of income. Agricultural products like cocoa, timber, palm oil, groundnuts and cotton were its main exports. The discovery of oil in the Niger Delta in the 1950s led to a big change in Nigeria's economy. Today oil accounts for 14% of the country's GDP and 98% of export earnings.

THE BALANCE BETWEEN DIFFERENT SECTORS OF THE ECONOMY

Since 1999 there have been major changes in Nigeria's industrial structure.

- Employment in agriculture (primary sector) has fallen, due to increasing use of farm machinery and better pay conditions in other sectors of the economy.
- Industrialisation and economic growth (secondary sector) under a stable government has increased employment in oil production, manufacturing and industries such as construction, motor manufacturing, paper and pharmaceuticals.
- The growth of communications, retail and finance in the service (tertiary) sector

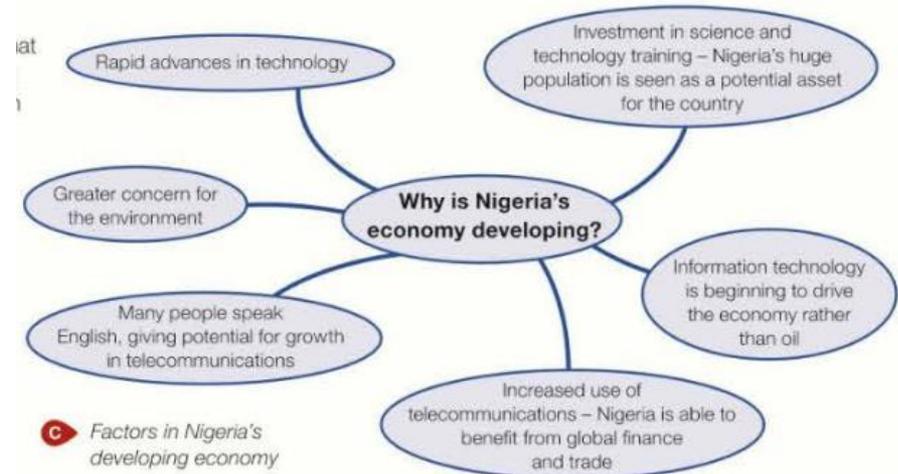
These changes have resulted in Nigeria having a much more balanced economy.

NIGERIA'S GROWING ECONOMY

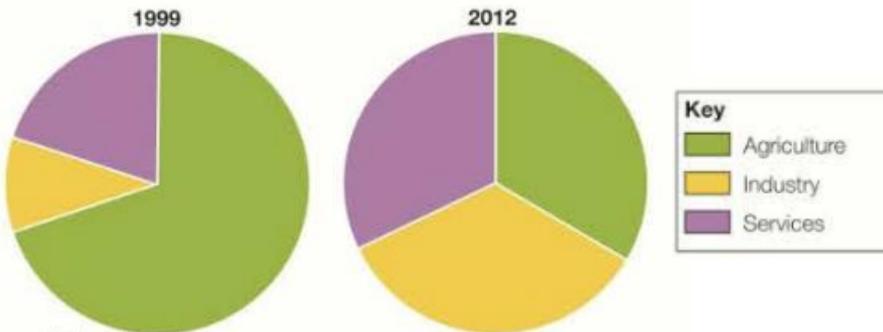
Nigeria's GDP has more than doubled since 2010 from less than \$200 billion to over \$550 billion in 2015. Until 2011, many of Nigeria's new industries had not been included in figures. Many small businesses used to be in the informal sector but are now part of the formal economy.

Over half of the country's GDP now comes from manufacturing and service industries. This change reflects the change from a mainly rural to an urban population.

Despite this growth, most people in Nigeria are still poor, living on less than \$1.25 a day. There is growing inequality and also regional differences. Most wealth is in the south around Lagos and there is greater poverty in the north and south-east.



Factors in Nigeria's developing economy



Changes in Nigeria's employment structure, 1999-2012

TEST YOURSELF! Can you:

- Describe how Nigeria's economy is changing
- Describe the structure of Nigeria's economy (primary, secondary, tertiary)
- Explain why Nigeria's economy is changing
- Explain why there is greater poverty in the north (link to climate and south being coastal!)

Key idea: Some LICs and NEEs are experiencing rapid economic development which leads to significant social, environmental and cultural change.

A case study of one LIC or NEE to illustrate: how manufacturing industry can stimulate economic development

WHAT IS THE IMPORTANCE OF MANUFACTURING IN NIGERIA?

Manufacturing involves making products from raw materials. In the past, growth in manufacturing was hindered by Nigeria's dependence on the export of raw materials. Today, manufacturing accounts for 10% of Nigeria's GDP. It is currently growing faster than the telecommunications, oil and gas or agricultural sectors. Some examples of goods produced include processed foods, textiles, soaps, leather items and cement. As people in Nigeria are getting richer, and thus have more disposable income, there is a growing home market and customer base. As well as this there is a relatively cheap labour force and improving infrastructure. As such, the manufacturing sector seems likely to increase in the future and become even more diverse.

HOW IS MANUFACTURING AFFECTING ECONOMIC DEVELOPMENT?

The growth of manufacturing in Nigeria has stimulated economic development in several ways:

- Regular paid work gives people a more secure income and more disposable income. This provides increasingly larger home market for purchasing products such as cars, clothes and electrical appliances.
- Manufacturing industries stimulate growth through close links with each other. For example, companies supplying parts for making cars will benefit as well as the car company selling cars.
- As industries grow, more people are employed, and revenue from tax increases. This money from tax can be used to improve services such as healthcare and education.
- A thriving industrial sector attracts foreign investment which further stimulates economic growth.
- Oil processing has created chemical by-products. This has led to the growth of a huge range of chemical industries, including soaps, detergents and plastics.

Remember the multiplier effect - money = more money. In the case of manufacturing, growth = more growth.



DANGOTE CEMENT

Aliko Dangote is Africa's richest person. He is a billionaire many times over and founder of the company 'Dangote Cement'. This is one of Nigeria's largest companies.

In a continent that is rapidly urbanising, cement is a product that is in high demand (to build new urban areas!) and as a result Dangote Cement has expanded into 13 other countries. New manufacturing companies like Dangote are increasing the pace of economic development in Nigeria in a number of ways:

- Producing manufactured goods in the country reduces the need to import goods and can be cheaper
- Providing jobs, giving people an income and contributing to the country's wealth through tax
- Expansion of Nigerian companies into other countries increases Nigeria's influence in the region



TEST YOURSELF! Can you:

- Describe the importance of manufacturing in Nigeria
- Explain how manufacturing encourages economic development in Nigeria
- Use an example to explain how manufacturing stimulates further economic development in Nigeria

Key idea: Some LICs and NEEs are experiencing rapid economic development which leads to significant social, environmental and cultural change.

A case study of one LIC or NEE to illustrate: the role of transnational corporations (TNCs) in relation to industrial development, advantages and disadvantages of TNC(s) to the host country

TRANSNATIONAL CORPORATIONS (TNCs)

A transnational corporation (TNC) is a large company that operates in several countries. A TNC usually has its headquarters in one country with production plants in several others. TNCs locate in foreign companies in order to take advantage of:

- Tax incentives
- Cheap labour
- More relaxed environmental laws
- Access to a wider market

There are around 40 TNCs that operate in Nigeria. The majority have the headquarters in the UK, USA or Europe. TNCs that have headquarters based in the UK include KFC and Unilever.

ADVANTAGES AND DISADVANTAGES OF TNCs

- ✓ Companies provide employment and the development of new skills for the population. These skills could later provide people with further opportunities
- ✓ Bring expertise and new skills to the country and create international links
- ✓ Other local companies benefit from increased orders
- ✓ Multiplier effect - if people have jobs, they will spend more money, encouraging further economic development
- ✓ Valuable export revenues are earned
- X Local workers are sometimes poorly paid
- X Working conditions are sometimes very poor or people have to work very long hours
- X Management jobs, or higher paid and more skilled jobs often go to foreign employees brought in by the TNC
- X Much of the profit generated is 'leaked' back to the TNCs country of origin
- X Environmental concerns if TNCs take advantage of more relaxed environmental laws

TEST YOURSELF! Can you:

- Give examples of TNCs in Nigeria
- Explain how TNCs can help development in Nigeria
- Evaluate the advantages and disadvantages of TNCs in Nigeria
- Evaluate the role of Unilever and Shell in Nigeria

UNILEVER IN NIGERIA

Unilever is an Anglo-Dutch (English and Dutch) TNC with headquarters in London and Rotterdam (Netherlands). It produces a range of food, drinks and items for the home.

Unilever started operating in Nigeria in 1923 manufacturing soap using locally produced palm oil. Since then the company has diversified to include the manufacture of foods, non-soap detergents and personal care items. It currently employs about 1500 people in Nigeria.

Unilever's products are aimed at the growing Nigerian market and the development of brands to improve people's quality of life. It works with local cultures and markets to develop new products and aims at high standards of employment and environmental stewardship. The company claims that all of its palm oil comes from sustainable sources. It has promoted improvements in health care, education and water supply as part of its social responsibility in Nigerian communities. In 2014 Unilever was voted the second best place to work in Nigeria!



SHELL IN NIGERIA

Shell is one of the world's largest oil companies. It is another Anglo-Dutch company with its headquarters in the Netherlands. Since the discovery of oil in 1958, its operations in the Niger Delta have been controversial. Shell has brought a number of benefits to Nigeria's economy by:

- ✓ Making major contributions to taxes and export revenue
 - ✓ Providing direct employment for 65,000 workers and a further 250,000 jobs in related industries
 - ✓ Supporting the growth of Nigeria's energy sector
- Despite the benefits, oil has caused tensions and environmental issues
- X Oil spills cause water pollution and soil degradation, reducing agricultural production and fishing yields
 - X Militant groups disrupt oil supply in the delta
 - X Oil theft and sabotage are big problems costing TNCs and government billions

Key idea: Some LICs and NEEs are experiencing rapid economic development which leads to significant social, environmental and cultural change.

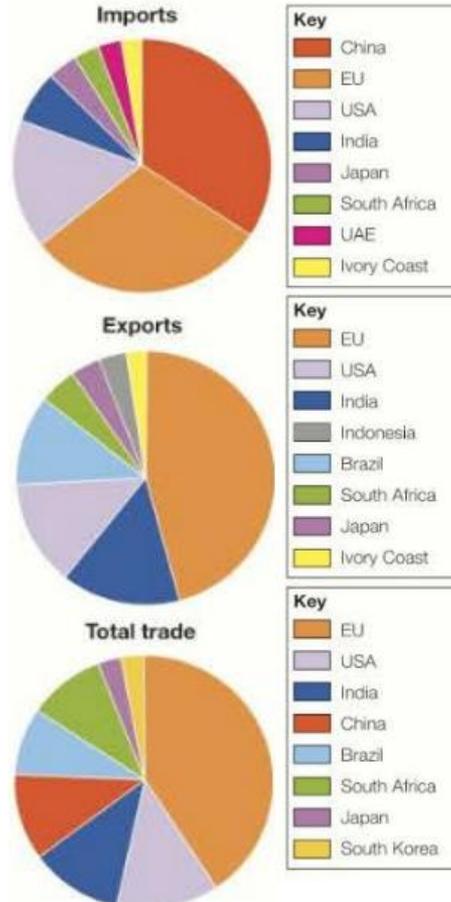
A case study of one LIC or NEE to illustrate: the changing political and trading relationships with the wider world

NIGERIA'S CHANGING TRADING RELATIONSHIPS WITH THE WIDER WORLD

Nigeria is a major global trading nation. Its main exports are crude and refined petroleum, natural gas, rubber, cocoa and cotton. Its main imports are refined petroleum from the EU and USA, cars from Brazil and USA, telephones, rice and wheat. One of the fastest growing imports is telephones. Imported from China, these are in demand from Nigeria's growing population and emerging middle class.

Crude oil dominates Nigeria's exports. Until 2013 the USA was Nigeria's biggest customer. With the recent development of shale oil in the USA, demand for Nigerian oil has fallen. India is now Nigeria's biggest customer. Between 2013 and 2014 exports of crude oil to India, China, Japan and South Korea increased by 40%.

In terms of agriculture, the reliance on crude oil has reduced the importance of agricultural products. Australia (30%) and Indonesia (15%) are the biggest customers for Nigerian cotton. Despite Nigeria's membership of two African trading groups, ECOWAS and CEN-SAD, only two other countries in West Africa are significant trading partners - Ghana and Ivory Coast.



▶ Nigeria's trading relationships

NIGERIA'S CHANGING POLITICAL RELATIONSHIPS WITH THE WIDER WORLD

Britain has had a trading relationship with West Africa for over 300 years. In the late nineteenth century, Nigeria, along with much of Africa, became part of the British Empire. Its political links were with the UK and other members of the Empire. Nigeria was ruled Britain until 1960 when it gained independence. Since becoming independent in 1960, Nigeria has become a member of the British commonwealth. It now has equal status with all countries including the UK.

Nigeria's political role has changed in recent decades. It has become a leading member of African political and economic groups as well as international organisations such as the United Nations. As well as China being the main import partner for manufactured goods, China's influence on Nigeria's economy goes beyond the goods it sells. China, with recent experience in building its own infrastructure, is able to bring that expertise to other countries such as Nigeria. Arguably this investment that China has put towards Nigeria's infrastructure gives China influential political power in Nigeria.



TEST YOURSELF! Can you:

- Explain how Nigeria's trading relationships have changed with the wider world - who they trade with and what they trade?
- Explain how Nigeria's political links with the wider world have changed

Key idea: Some LICs and NEEs are experiencing rapid economic development which leads to significant social, environmental and cultural change.

A case study of one LIC or NEE to illustrate: international aid - types of aid, impacts of aid on the receiving country

AID AND TYPES OF AID

As you know already, there are several types of aid. The providers of aid can be individuals, charities, NGOs, governments and international (multilateral) organisations.

Short term aid/emergency aid - *Emergency help usually in response to a natural disaster, such as a flood or earthquake*

Long term aid/developmental aid - *Sustainable and long term support that seeks to improve resilience, e.g. wells to reduce the effects of drought, or improvements to agriculture*

Multilateral aid - *Aid from one country to another (often with 'tied' conditions)*

Bilateral aid - *richer governments give money to an international organisation such as the World Bank, which then redistributes the money as aid to poorer countries*

Tied aid - *aid may be given with certain conditions e.g. that the recipient has to spend the aid money on the donor country's products*

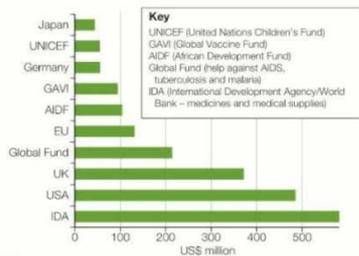
Voluntary aid - *Money donated by the general public in richer countries and distributed by NGOs such as Oxfam*

AID IN NIGERIA

Although Nigeria is experiencing rapid economic growth, many people in Nigeria are poor. They have limited access to services such as safe water, sanitation and a reliable electricity supply. Almost 100 million people, over 60% of the population are living in poverty and on less than \$1 a day.

Nigeria receives about 4% of aid given to African countries. In 2013 aid represented 0.5% of Nigeria's GNI which totalled almost \$5000 million. Most came from individual countries such as the UK and the USA, and some from international organisations like the World Bank. Nigeria was one of the largest recipients of aid from the UK, with £263m given directly to the country.

Aid has brought many benefits to people living in poverty. The most successful projects are community based or **bottom up** projects supported by small, local charities and NGOs.



WHAT ARE THE IMPACTS OF AID ON NIGERIA?

Aid has brought many benefits to people in living in poverty (see mind map above). The most successful projects are community-based, bottom up projects that are supported by small charities. These are often delivered directly to where help is needed and the aid no money is wasted.

However, sometimes aid is not used effectively in Nigeria. Official aid to Nigeria delivered through the government has been less successful than small-scale, local projects. There are several reasons why aid may not be used effectively:

- Corruption in government
- Money diverted by government for other purposes e.g. navy
- Donors (people who give the money) may have political influence over what happens with aid - this is tied aid, aid with conditions of how it is spent.

As well as this, by receiving aid a country may become more dependent on aid money and be unable to develop without it. Some argue that aid can be seen as neo-colonialist, whereby the west continue to have huge influence over poorer nations.

TEST YOURSELF! Can you:

- Describe the different types of aid
- Give examples of aid in Nigeria
- Explain how aid can benefit Nigeria
- Give disadvantages of aid in Nigeria
- Evaluate aid in Nigeria - is it good for Nigeria?

Key idea: Some LICs and NEEs are experiencing rapid economic development which leads to significant social, environmental and cultural change.

A case study of one LIC or NEE to illustrate: the environmental impacts of economic development

IMPACTS OF INDUSTRIAL GROWTH

Nigeria has 5000 registered industrial plants and 10000 illegal small-scale industries. The fast and unregulated growth of industry has led to environmental problems such as:

- Pollutants going directly into open drains and water channels. This can damage ecosystems downstream, as well as people's health
- Some industries dispose of chemical waste on nearby land, threatening groundwater quality
- Industrial chimneys emit poisonous gases that can cause breathing problems in humans
- 70-80% of forests have been destroyed through logging, agriculture, urban expansion, roads and industrial development

IMPACTS OF URBAN GROWTH

As Nigeria has developed, urban areas have grown rapidly and usually in an uncontrolled and unregulated manner. This has brought many challenges:

- Squatter settlements are common in most cities. These unplanned and illegal settlements have little or not infrastructure to deal with waste.
- Traffic congestion is a major problem in most Nigerian cities, leading to high levels of exhaust emissions.



IMPACTS OF OIL

The oil industry causes environmental damage in Nigeria. The Delta region contains important wetland and coastal ecosystems. Most people depend on the natural environment for their livelihood, either through farming or fishing.

- Oil spills from leaking pipelines damage farmland so crops no longer grow
- Gas flares are used to burn off gas from the oil. Apart from being wasteful the fumes contribute to global warming and can affect people's health
- Oil pollution, which occurs offshore from oil tankers, kills fish in the sea.

BODO OIL SPILLS (2008/2009)

In 2008 and 2009 two large oil spills devastated the livelihoods of thousands of farmers and fishermen living in the swamps around the town of Bodo in the Niger Delta. Leaks in a major pipeline caused 11 million gallons of oil to spill in a 20km squared area. In 2015 Shell agreed to pay £55 million compensation to individuals and to the community of Bodo. Use this link, or the QR code below, to watch a video to refresh your memory about the disaster. https://www.youtube.com/watch?v=YmI3xjZk_y0



TEST YOURSELF! Can you:

- Describe what causes environmental damage in Nigeria
- Explain the impacts of economic development - why does economic development cause damage?
- Evaluate the damage - are environmental costs worth the economic gains in Nigeria?



UN confirms massive oil pollution in Niger Delta



Shell oil spills in the Niger delta: 'Nowhere and no one has escaped'

Two oil spills caused by Shell in 2008 have triggered ongoing social and environmental problems for the 60,000 people who live in the vicinity of Bodo



Key idea: Some LICs and NEEs are experiencing rapid economic development which leads to significant social, environmental and cultural change.

A case study of one LIC or NEE to illustrate: the effects of economic development on quality of life for the population.

HAS QUALITY OF LIFE IN NIGERIA IMPROVED?

As a result of economic development, the population of the country will usually see benefits and their quality of life should improve. For example, people will have more reliable and better paid jobs in manufacturing industries or services, which will provide them with a more steady income. People will have a higher disposable income to spend on things like schooling, food, clothes and recreation. As well as this, with more money people are likely to have better access to safe water and sanitation as the country has more money to spend on infrastructure, as well as improvements to infrastructure such as roads. There is likely to be better quality healthcare and education with more doctors and teachers, as well as more equipped hospitals and schools.

Nigeria's improved quality of life is connected with the country's economic development. With the new jobs that come with development, people are able to earn more money to pay for the things they need. The government also earns more money through taxes.

HAVE ALL NIGERIANS BENEFITTED FROM ECONOMIC DEVELOPMENT?

Despite some clear improvements in a number of indicators many people in Nigeria are still poor. The benefits of economic development are not equally shared. Development indicators such as those in the table are averages, and they do not tell us how many people are below or above the averages. There are large differences between:

- The North and South of the country (why?)
- Urban and rural areas
- Educated and uneducated people

Development isn't always good for everyone - 60% of the population in Nigeria still live in poverty. There is a widening gap between rich and poor.

Corruption has been a major reason why there is increasing inequality. As well as this, reliance on oil has meant the economy has only just started to diversify.

In order for people's quality of life to continue to improve Nigeria needs to cope with a number of challenges:

- Political - the need for a continuing stable government to encourage investment
- Environmental - the pollution of the Niger Delta by oil spills has devastated the lives of the local people.
- Social - historical distrust remains in the country between several tribal groups. There is also a religious divide in the country.

Quality of life is commonly measured by the United Nation's HDI (Human Development Index - check you know what this means!) Nigeria's HDI has been increasing steadily since 2005 and this trend is expected to continue. In 2000 Nigeria was placed among the least developed nations in the world in terms of wealth and education. In 2011 Nigeria had one of the highest HDI improvements in the world. Most indicators have seen an improving trend. This suggests economic development since 1990 has improved the quality of people's lives in Nigeria.

TEST YOURSELF! Can you:

- Define quality of life
- Describe how quality of life in Nigeria has improved using evidence from the table?
- Explain why economic development has increased quality of life in Nigeria?
- Evaluate whether quality of life has improved for everyone in Nigeria?

Indicator	1990	2000	2005	2010	2013
Life expectancy at birth	46	47	49	51	52
Births attended by skilled health staff (%)	31	-	-	44	38
Mortality rate (per 1000)	213	188	159	131	117
Sanitation facilities (% of population with access)	37	33	31	29	28
Safe water (% of population with access)	46	55	59	63	64
Secondary school enrolment (%)	25	24	35	44	-
Mobile phone subscriptions (per 100 people)	0	0	13	55	73
Internet users (per 100 people)	0	0	4	24	38

Changes in Nigeria's quality of life, 1990-2013 Source: World Bank

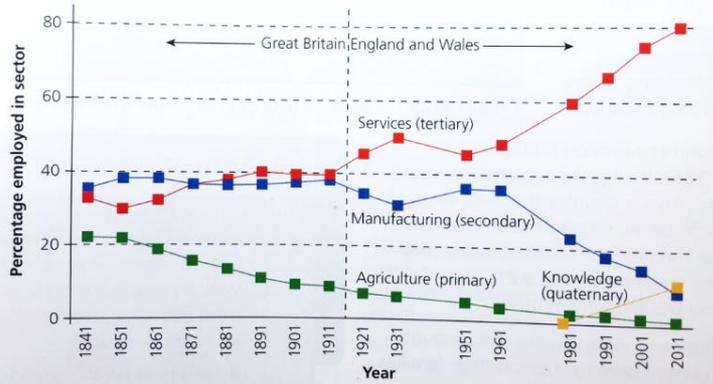
The table shows evidence of improvements in a number of social indicators. However, 'sanitation facilities' have decreased. Can you explain why?

Key idea: 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: Causes of economic change: **de-industrialisation and decline of traditional industrial base**, globalisation and government policies

HOW HAS THE INDUSTRIAL STRUCTURE OF THE UK CHANGED?

The industrial structure of the UK has changed. This means the type of work people do has changed, and it is always changing. There are four main sectors: primary (extracting raw materials), secondary (manufacturing), tertiary (services) and quaternary (services and knowledge e.g. Scientific research). In 1841 at the height of the Industrial Revolution in the UK most people worked in manufacturing. $\frac{1}{4}$ of the workforce still worked in agriculture. By 2011 80% worked in services, 9% in manufacturing and only 1% worked in agriculture.



TEST YOURSELF! Can you:

- Define de-industrialisation
- Explain why de-industrialisation occurred in the UK
- Explain the impacts of de-industrialisation

DEINDUSTRIALISATION AND DECLINE OF TRADITIONAL INDUSTRIAL BASE

Deindustrialisation refers to the decline of primary and secondary industry. One example of this in the UK was the decline of the coal mining industry in the UK. They say 'Britain was built on coal' and it's almost literally true! The number of coal mines in the UK declined from over 3000 to 30, and the last UK coal mine closed in 2015.

There were a number of reasons for this which include:

- Many of the UK's raw materials have been used up and the inaccessible nature of remaining raw materials in the UK makes them very expensive to dig up
- It has become cheaper to import raw materials from abroad (because of cheap labour and easily accessible materials)
- Improvements in technology have led to increased mechanisation which massively reduces the number of people needed to be employed.
- Government attitudes to the primary sector have often affected it (e.g. the Conservative government of the 1980s argued the mines needed to close → 1984 Miners Strike)

The impact this had on the UK was devastating, particularly for the North East of England where many towns had grown around the coal mine and left thousands of people were left unemployed. For instance the town of Easington Colliery had its mine closed in 1993. Over 1,000 people were left unemployed and over 20 years later the town still has high unemployment, leading to a negative multiplier effect as other businesses struggle to survive in the town.

As well as a decline in mining, there has also been a massive decline in the secondary sector. Cities such as Manchester (textiles), London (docklands) and Liverpool (shipbuilding) have all faced de-industrialisation in the last 40 years. Reasons for the decline in manufacturing in the UK include:

- Machines have replaced low paid jobs on production lines. However, more skilled people are needed to make and fix the machines (tertiary).
- Land and labour are cheaper in LICs and NICs as wages are lower.
- Fast and efficient infrastructure - roads, airplanes etc make it easy to transport goods around the world.
- Easy and quick technology - e.g. Internet, Skype, mobile phones means information can be transferred quickly

Key idea: 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: Causes of economic change: de-industrialisation and decline of traditional industrial base, **globalisation and government policies**

WHAT IS GLOBALISATION?

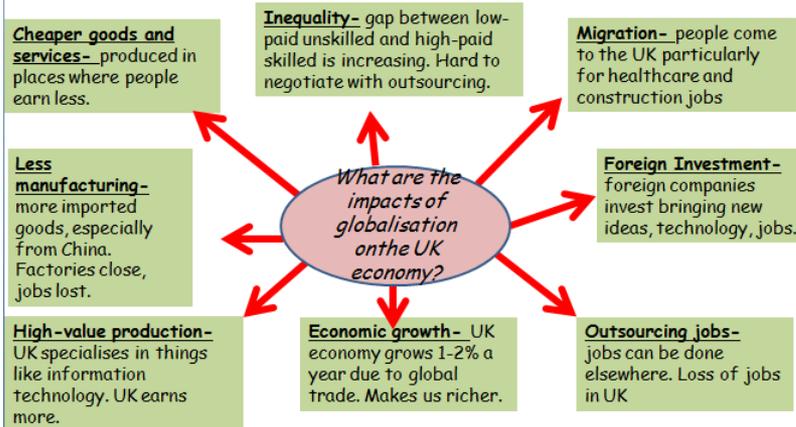
The integration of economic, financial, social and cultural ideas and contacts between countries; increased trade and labour migrations are a big part of this.

For example, more businesses in the UK are now owned by foreign companies, and in the same way more British companies own businesses in other countries.

For the UK economy to thrive we need to be part of the global economy.

HOW DOES GLOBALISATION AFFECT THE UK ECONOMY?

The UK economy is changing due to globalisation. This is the way business, ideas and lifestyles spread rapidly around the world. For example, more businesses in the UK are now owned by foreign companies and are located here, for example Apple. There are now many global companies. The reason globalisation is occurring is due to a number of things, including advances in technology which has resulted in improved transport and transport infrastructure and advances in technology that have improved communication such as phones and the internet.



Globalisation has been partly responsible for the explosion of the quaternary sector in the UK, with many people now working on global brands and products. It has also boosted world trade and enabled more imported products to the UK. This in turn has contributed to the decline in UK manufacturing.

Government policies

1945-1979
In this period the UK government created state-run industries such as the National Coal Board, British Rail and British Steel Corporation. Government money was spent on 'propping up' declining UK industries. Ageing equipment, outdated working practices and too many employees made them unprofitable. The 1970s was a decade of strikes, social unrest, factory closures and power cuts.

1979-2010
State-run industries were sold off to private shareholders to create a more competitive business environment. This is called *privatisation*. Many older industries closed down and many jobs were lost. Many new private companies brought innovation and change. In the UK derelict industrial areas were transformed into gleaming new financial centres with offices and modern retail outlets (photo D).

2010 onwards
The aim of the government from 2010 was to 'rebalance' the economy. This was to be done by rebuilding the UK's manufacturing sector and relying less on the service industries, in particular the financial sector. Government policies have included:

- improvements to transport infrastructure (for example, the London Crossrail link and plans for high-speed rail connections, such as HS2)
- more investment in manufacturing industries
- easier access to loans and finance, especially for small businesses
- encouraging global firms to locate within the UK.



D Canary Wharf - the UK's financial centre on the site of London's docklands

TEST YOURSELF! Can you:

- Define globalisation
- Explain how globalisation has changed the UK economy
- The impacts of globalisation on UK economy
- Explain how government policy has played a role in influencing the UK economy in each time period.

Key idea: 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: Moving towards a post-industrial economy: development of information technology, service industries, finance, research, science and business parks.

WHAT IS A POST-INDUSTRIAL ECONOMY?

A post-industrial economy is where manufacturing industry declines to be replaced by **growth in the service sector and the corresponding development of a quaternary sector**. This happened in the UK from the 1970s. By 2015 78% of UK employment was in the tertiary sector and 10% in the quaternary sector. Only 10 per cent of employment was in manufacturing compared to 55% in 1900.

DEVELOPMENT OF INFORMATION TECHNOLOGY

(IT) has transformed the way that people live and work. It is one of the main factors in the UK's move to a post-industrial economy. This is because:

- Computers allow large amounts of data to be stored and accessed very quickly.
- The internet enables people to communicate with each other instantly across the world
- Technology continues to develop at a rapid pace (for example highspeed broadband).
- Many people can access the internet using smart phones and tablets.

Developments in IT have affected the UK economy in a number of ways:

- Internet access enables many people to work from home.
- Many new businesses are directly involved with IT, manufacturing hardware and designing software
- Over 1.3 people work in the IT sector.
- The UK is one of the world's leading (digital economies. attracting businesses and investment from abroad.

The government is committed to making the UK the best place in the world to start a technology business.



SERVICE INDUSTRIES AND FINANCE

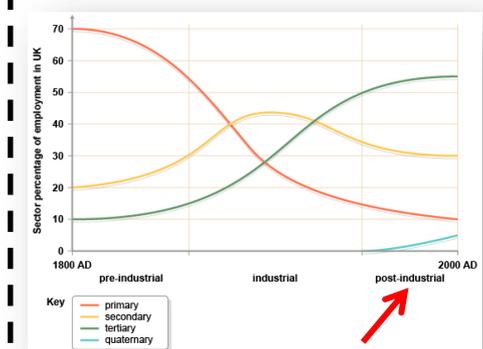
Individuals employed in the service sector produce services rather than products. The UK service sector has grown very rapidly since the 1970s. Today it contributes over 79 per cent of UK economic output, compared with 46 per cent in 1948. Finance is an important part of the service sector. This includes banking, insurance, securities dealing and fund management. The UK is the world's leading centre for financial services, with the City of London as the UK's financial centre. The financial services sector accounts for about 10 per cent of the UK's GDP and employs over 2 million people.

The development of the UK's post-industrial economy.

	Examples of jobs	How has this developed the UK's post-industrial economy?
Development of information technology (IT)	Software developer Software engineer IT workers	£58 billion for the UK economy made from IT sector 2 million people work in IT across all businesses Internet access enables people to work from home. Communication allows quick and easy access around the world.
Finance industries	Banking, insurance, stock market workers.	3.4% of UK workers in financial sector Financial services sector provides 10% of UK GNI and 29% of national exports. Taxes made from finance businesses totalled £21.4 billion in 2013/14! Finance - The UK is the world's leading centre for financial services.
Research and development	Scientists Pharmaceutical researchers Researchers Engineer	Developed the importance of highly qualified people and role of universities in research and the growth of the economy.

TEST YOURSELF! Can you:

- Define what is meant by the post-industrial economy
- Explain why there has been an increase in the post-industrial economy
- Explain the importance of IT, service industries, finance and research to the UK's post industrial economy.



Key idea: 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: Moving towards a post-industrial economy: development of information technology, service industries, finance, research, science and business parks.

WHAT ARE SCIENCE AND BUSINESS PARKS?

A science park is a group of scientific and technical knowledge based businesses located on a single site. there are over 100 science parks in the UK.

Most are associated with universities which allows them to use research facilities and employ skilled graduates. Science parks may include support services such as financial services and marketing too. Around 75,000 people work in the UK's science parks.

A business park is an area of land occupied by a cluster of businesses. They tend to be located on the edge of towns as this is where land is often cheaper. There is also more land available which makes extending businesses a possibility. As well as this, they are often located to large main roads into towns and cities to allow easy access for workers and distribution. Being on the edge of a city can reduce the risk of traffic congestion in comparison to city centres.

CAMBRIDGE SCIENCE PARK

Cambridge is known for having one of the top universities in the world. Until recently it was less known for it's industry, but this is changing.

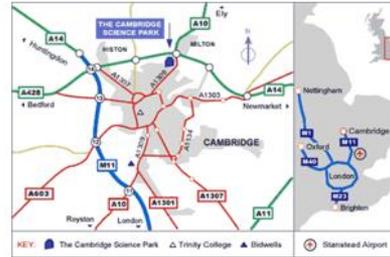
Cambridge is fast emerging as one the UK's main hubs for hi-tech industry. Over 150 information technology and biotechnology companies are now based there.

The hi-tech industry in Cambridge began with the Cambridge Science Park which was opened in 1970 by Trinity College (Cambridge University).

The location for Cambridge as a place for industry has many advantages.

Advantages include:

- Good transport links, including M11 to London and Stansted Airport
- Graduates from the university provide highly educated workforce
- Rents are low as there a few traditional industries competing for rent



The location of Cambridge Science Park at a national and regional scale

By train from Cambridge Science Park it takes 52 minutes to get to London

Close to Stansted airport (Gatwick and Heathrow via the M25)



What benefits does the science park bring to Cambridge?

- Hi-technology industries provide jobs, they now employ almost one quarter of workers in the Cambridge area.
- Other companies have developed in Cambridge to supply the hi-technology firm with equipment, services etc. These companies will also employ people, in this way a multiplier effect begins to develop.



The Park is 2.7 miles from Great St Mary's, generally regarded as the central point of the dispersed University of Cambridge. It is linked by a regular bus service and cycle routes.

Background information

The Cambridge Science Park, founded by Trinity College in 1970 is the oldest Science Park in the United Kingdom.

It is a concentration of science and technology related businesses, and has strong links with the nearby city of Cambridge.

Cambridge Science park is home to more than 100 businesses which are involved in lots of areas of expertise such as medical, IT and environmental.

There is a large range of services on site to help the people who work in the Park. Some of the environmentally friendly services include recycling facilities and landscaping to attract more wildlife to the area



The science Park is close to Cambridge University so that it can draw on scientific knowledge of many experts.

Facilities:

- Landscaped surroundings
- Nurseries
- Health and fitness centre
- Cafes
- Conference facilities

Microsoft

Cambridge science park received a huge boost when Microsoft pledged £50 million to build its first European computer research centre there in 1997.



Microsoft



The science park employs around 5,000 people

Over 90 Research and Development (R and D) companies within Cambridge Science Park (well over 700 high tech companies within the Cambridge region).

- Epson
- Toshiba Research Europe
- Kodak European Research
- Microsoft

Development of **synergy** (the intense localised interaction between different companies on the same sites which creates benefits for all participants).

TOSHIBA
Leading Innovation >>>

The Cambridge Science Park has a wide range of on-site facilities for its companies which include:

- choice of five broadband services
- park wide CCTV system
- conference facilities
- restaurant and bar
- child care nursery
- health and fitness centre
- electric car charging points in the car parks of buildings 320 and 332
- recreational walks and jogging paths in 20 acres of landscaped grounds

TEST YOURSELF! Can you:

- Explain what science and businesses parks are
- Give evidence about how Cambridge Business Park benefits companies
- To what extent do science and business parks provide opportunities for regional economic growth?

Key idea: 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: Impacts of industry on the physical environment. An **example** of how modern industrial development can be more environmentally sustainable

HOW CAN INDUSTRY IMPACT THE PHYSICAL ENVIRONMENT?

Modern manufacturing industries have an effect on both the landscape and the environment in the following ways:

- Manufacturing plants can look very dull and can have a visual effect on the landscape
- Industrial processes can cause air and water pollution, as well as degrading the soil
- The waste products from manufacturing industry are often taken to landfill, and when in the ground they can pollute and harm the air, water and soil
- The waste products from manufacturing industry are often taken to landfill and when in the ground they can pollute and harm the air, water and soil
- The transport of raw materials and manufacturing products is usually by road, which increases levels of air pollution and damage to the environment when roads are widened or new ones are built

HOW CAN INDUSTRIAL DEVELOPMENT BE MORE SUSTAINABLE?

Today there is a much greater concern about the need for industries to be more environmentally sustainable. This can be achieved in a number of ways:

- Technology can be used to reduce harmful emissions from power stations and heavy industry
- Desulphurisation can remove harmful gases such as sulphur dioxide and nitrogen oxide from power station chimneys
- Stricter environmental targets put in place for industry on water quality, air pollution and landscape damage
- Heavy fines imposed when an industrial pollution incident occurs.



Production begins at Nissan: 1986
Number of people employed: 7,000
Estimated number of jobs created in the UK by Nissan's car plant: 28,000
Number of cars produced in a year: 500,000 (one-third of all cars produced in the UK)
Models produced at the plant: Nissan Note, Nissan Qashqai, Nissan LEAF, Compact Infiniti
Amount of energy generated by wind turbines: 7%

Figure 20.35 The Nissan car manufacturing plant near Sunderland. Note the wind turbines

Nissan LEAF is an electric car produced in the UK.



TEST YOURSELF! Can you:

- Explain the impacts of industry on the physical environment
- Explain how the impacts of the car industry on the physical environment
- Explain how Nissan is trying to be more environmentally sustainable

THE CAR INDUSTRY AND NISSAN

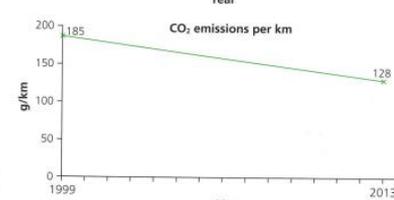
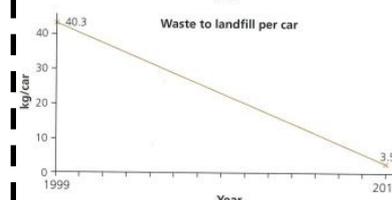
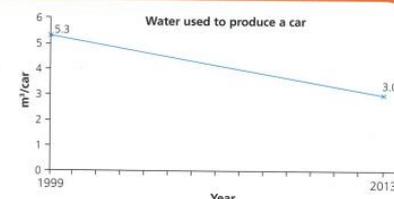
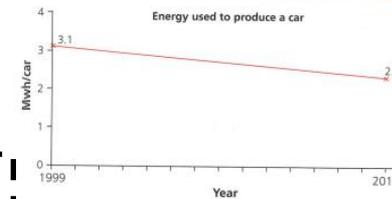
The car industry is one of the few large scale manufacturing industries left in the UK. More than 1.5 million new cars are made in the UK every year, and most of them are made in huge manufacturing plants. The car industry has many impacts on the environment including:

- Fuel consumption - both petrol and diesel are obtained from oil. Drilling for oil can endanger ecosystems and there is risk of oil spills
- Manufacturing - Cars consume a lot of energy even before they are driven. It's estimated that manufacturing a car uses as much energy as the car will consume in its lifetime!
- Resources - cars are made from a range of materials including steel, plastic, glass, fabric
- Air pollution - burning petrol and diesel in car is a major cause of air pollution
- Disposal - Many cars end up at the scrap heap at the end of their life. Some components of a car are hard to recycle.

HOW IS THE CAR INDUSTRY AND NISSAN BEING MADE MORE SUSTAINABLE?

Electric or hybrid (both electric and petrol powered) cars are evidence that the car industry is becoming more sustainable. Car companies are responding to demand from consumers for more sustainable cars and to stricter government regulations.

The amount of water used in production has declined, there has been a dramatic fall in the amount of waste going to landfill sites and the average CO₂ emissions from new cars are falling. This will help to reduce the impact of cars on climate change.

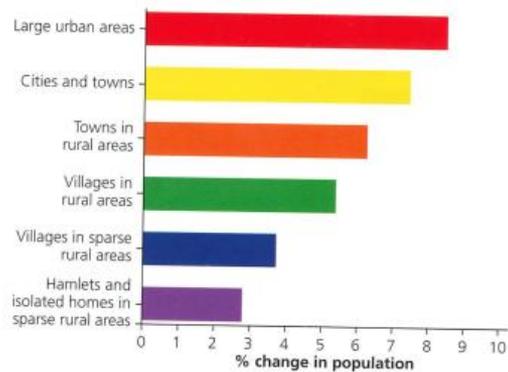


Key idea: Major changes in the economy of the UK have affected, and will continue to affect, employment patterns and regional growth.

Economic futures in the UK: Social and economic changes in the rural landscape in one area of population growth and one area of population decline

HOW ARE RURAL AREAS CHANGING?

Most people in the UK live in urban areas, but 19 per cent still live in rural areas. Although they might not look crowded, the population of most rural areas in the UK is actually growing as a result of counter-urbanisation. People leave cities to live in the countryside for a better quality of life. The population of urban areas is growing faster, but this is mainly the result of natural increase and immigration. Around major cities in the UK is the greenbelt - green open space in which further building development is not allowed. Within the greenbelt, and just beyond, are towns and villages that are desirable places to live and commute to work in the city. Without the greenbelt these areas might have experienced even greater population growth.



▲ Figure 20.15 Population change in urban and rural areas, 2001-11

WHAT HAPPENS IN AN AREA OF POPULATION GROWTH?

The greatest population pressure on rural areas is in South East England, where many people want to live in rural surroundings but work in London. Population growth in these areas brings benefits and problems.

Benefits of population growth:

- It maintains the population of small towns and villages as a balance to rural-urban migration.
- It brings new energy to rural areas.
- There is evidence that newcomers are more likely to start their own local business
- It helps to maintain the demand for rural services, like shops and schools, that might otherwise close.

Problems of population growth:

- Older people retire to live in rural areas and this increases the average age.
- Newcomers are often wealthy and this helps to push house prices up even further.
- The arrival of newcomers and out-migration of local people, is changing rural culture.

WHAT HAPPENS IN AN AREA OF 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.

TEST YOURSELF! Can you:

- Explain how the rural landscape is changing in the UK
- Explain what happens in areas of population growth and decline

Key idea: 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: Social and economic changes in the rural landscape in one area of population growth and one area of population decline

SOUTH CAMBRIDGESHIRE - AN AREA OF POPULATION GROWTH

South Cambridgeshire is the mostly rural area that surrounds the city of Cambridge. The population of is increasing due to migration into the area. Migrants have mostly moved from the city area of Cambridge and other parts of the UK but some are starting to arrive from Eastern Europe.

In 2013, there was a 25% increase in applications for national insurance numbers, the proportion of people aged 65 or over is expected to reach 29% of population by 2031 which means an increased demand on health and housing and the total population is estimated to reach 182,000 by 2031, an increase of 32,000 people in 15 years.

Some of the social challenges include commuters who still work in Cambridge using services there rather than local ones, which has a negative effect on the local rural economy. In addition, 80% car ownership on narrow rural roads is leading to congestion and pollution, gentrification of abandoned or for sale farm buildings can break down community spirit and young people are being priced out of the housing market

Some of the economic effects include a reduction in primary industry as farmers sell their land to housing developers who are offering attractive prices. Lack of affordable housing, high petrol prices due to high demand from commuters driving into Cambridge and increasing number of migrants putting pressure on services increasing the overall cost to access them.



OUTER HEBRIDES - AN AREA OF POPULATION DECLINE

The Outer Hebrides has a population of 27,400 people, about 5 times less than South Cambridgeshire. It is made up of a chain of 65 different small Islands in the north of Scotland, with most living on the **Isle of Lewis**.

There has been an overall decline of 50% of it's population since 1901 due to outward migration. With limited opportunities, younger people are choosing to live elsewhere.

Why are people leaving?

① **A harsh physical environment** (it is one of the wettest and coldest parts of the country, **battered by winds from the Atlantic Ocean**).

② **A sense of remoteness** from the rest of the country and **poor transport links** (they can only be reached by plane or ferry from the mainland, it can **take up to 5 hours to reach the capital Edinburgh**).

③ **Lack of jobs** and the ones which are available have limited progression and pay limited wages, jobs predominantly in agriculture, fishing or tourism. **Seasonal and low paid.**

④ The ambition of **young people who want to leave and go to university** in the big cities such as **Glasgow and Edinburgh**. Many (especially women) don't return because there **aren't enough good jobs for graduates**.

ADVANTAGES:

① Some of the remaining workers get paid higher wages because there are fewer workers.

② Protection of the environment because land doesn't need to be taken up for new housing.

Disadvantages:

① **Increased costs per head to provide public utilities**, such as water, energy and waste treatment. **The cost of utilities increased by 15% between 2012 and 2013.**

② **The closing down of services**, such as schools, shops, post offices and public transport. With fewer people, these services are not profitable and so close. **The number of primary school children will fall by 300 between 2011 and 2017 (that is 10 classes worth → several schools will close).**

③ **A growing aging population and fewer younger people to have children** which leads to **natural decrease**. There will be a **23% reduction in the number of women of childbearing age by 2019.**

④ **Increased costs of services for the elderly**, with insufficient care workers to care for them.

⑤ **Abandoned crofts and villages with empty homes**. Fewer people (especially working age) mean a **reduction in taxation**. **In 2014 there was £6 million less to spend on services.**

⑥ **Increased costs for businesses** because wages increase as there is a reduction in the working age population (65% fewer 18-24 year olds).

⑦ **Ageing population leading to issues with health care and housing provision**

TEST YOURSELF! Can you:

- Explain why South Cambridge is growing?
- Explain the positive and negative impacts of South Cambridge's population growth? With key facts?
- Evaluate South Cambridge's population growth
- Explain why the Outer Hebrides' population is declining?
- Explain the positive and negative impacts of the Outer Hebrides population decline? With key facts?
- Evaluate the Outer Hebrides population decline

Key idea: 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: Improvements and new developments in road and rail infrastructure, port and airport capacity

Transport involves the movement of people, goods and services. Improvements in transport have enabled the UK's economy to grow and develop. This remains a major issue for the future. Transport developments affect both employment and regional growth.

IMPROVEMENTS IN ROAD INFRASTRUCTURE

The UK has a small area with high population density, especially in South East England. With an increasing population and a growing economy, there are more people with greater wealth. Car ownership grows year on year, placing pressure on roads. Increasing commuting and leisure activity place pressure on public transport too. In 2014 the government announced a £15 billion 'Road Investment Strategy'. The aim is to increase the capacity and improve the condition of UK roads. New road schemes will create thousands of construction jobs and boost local and regional economies. Plans include:

- 100 new road schemes by 2020
- 1300 new lane miles added to motorways and trunk roads to tackle congestion
- Extra lanes added onto main motorways to turn them into 'smart motorways' and improving links between London, Birmingham and the north.

South West Super Highway A303



A £2 billion deal to create a "super highway" connecting London and the Devon area. Major plans to transform the A303 as part of the £2 billion investment in the south-west, which will see the construction of a tunnel at the historic Stonehenge site.

The upgrade will develop the A303 corridor into a high quality, high performing route linking the M3 in the south-east and the M5 in the south-west, improving journeys for millions of people.

It involves digging a tunnel of at least 1.8 miles long under Stonehenge as part of a project that ministers will say will create 1,300 jobs. One independent study suggested an upgrade could bring £41 billion into the economy, create more than 21,000 jobs. Tourism alone could expect a £12 billion windfall in the South West.



Crossrail is an example of rail improvements in London

IMPROVEMENTS IN RAIL INFRASTRUCTURE

Investment in railways is vital to improve links between regions of the UK and the rest of Europe. There are plans to stimulate economic growth in the north of the UK by improving the rail network:

- ♦ Electrification of the Trans-Pennine Express Railway between Manchester and York by 2020, reducing journey times by up to 15 minutes and completing the electrified link between Liverpool and Newcastle
- ♦ Electrification of the Midland mainline between London and Sheffield by 2023
- ♦ HS2 (High Speed 2) — a £50 billion plan for a new high-speed rail line to connect London with Birmingham and then to Sheffield, Leeds and Manchester. It may then be extended to Newcastle and into Scotland. The scheme is due to start in 2017 for completion in 2033. Many people are against the plan, as the route passes through several stretches of countryside and close to many homes.



Crossrail 2 would support 60,000 new jobs across the UK supply chain while under construction and 200,000 jobs across London and the South East once operational

When the Elizabeth line opens fully in 2019, 1.5 million more people will be able to get to central London within 45 minutes. Crossrail is a very important and exciting project for rail users in and around London and the South East. It's also the biggest civil construction project in Europe today. The Crossrail Project is building the Elizabeth line to link Reading and Heathrow in the west with Shenfield and Abbey Wood in the east, via new 21km tunnels under central London. This will increase London's rail capacity, cut passenger journey times across the city, encourage regeneration and generate significant employment opportunities. However, people that don't live in London argue that the money should not be spent on improving London's rail network and should be put towards improvements in Northern cities. Crossrail 2 would support the regeneration and development of up to 200,000 new homes across London and the South East



Key idea: 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: Improvements and new developments in road and rail infrastructure, port and airport capacity

IMPROVEMENTS IN PORT CAPACITY

The UK ports industry is the largest in Europe, due to the length of the coastline and the UK's long trading history. Some ports specialise in handling containers whilst others service ferries and cruises. Most are all-purpose ports handling a range of goods and services. About 32 million passengers travel through UK ports each year, and they employ around 120,000 people. The UK's largest ports are run by private companies which have invested heavily in the port infrastructure.

- ◆ Belfast - £50 million invested in facilities to service the offshore renewable energy sector. Land is available to accommodate manufacturing for wind, wave and tidal energy.
- ◆ Bristol (Avonmouth) - £195 million invested for bulk handling and storage facilities.
- ◆ Felixstowe and Harwich - a new rail terminal at Felixstowe and upgraded cruise service facilities at Harwich.

IMPROVEMENTS AIRPORT CAPACITY

Airports are very important to the economy of the UK, creating vital global links. They provide thousands of jobs and boost economic growth both regionally and nationally.

- The aviation sector accounts for 3.6 per cent of the UK's GDP and employs over 300,000 people.
- Over two million tonnes of freight pass through the UK's airports each year.
- More than 750,000 international flights depart from the UK annually, to almost 400 airports in 114 countries.
- Over 420,000 domestic flights provide 35 million seats annually to passengers travelling to over 60 regional airports across the UK.
- Airports are also used to the transport of less bulky high-value goods. Most airports are located to major cities, especially London. London Heathrow is the largest airport in the UK.

LIVERPOOL2: A new container terminal is being constructed at the Port of Liverpool. Known as 'Liverpool2', the scheme to construct a deep-water quay on the River Mersey will cost about £300 million.

The project will more than double the port's capacity to over 1.5 million containers a year to compete with other major UK ports. Due to begin operating in 2016, the new terminal will:

- create thousands of jobs
- ◆ boost the economy of the north-west
- ◆ reduce the amount of freight traffic on the roads.

EXPANDING LONDON'S AIRPORTS

There has been controversy about the need to expand London's airport capacity. Many options were discussed. These include the construction of a new fourth airport in the Thames estuary and the expansion of either Heathrow or Gatwick. All the options have advantages and disadvantages. In 2017 it was announced that Heathrow would get a new runway. This is predicted to create more jobs and make more money for the UK. Heathrow is one of the world's major airports. In 2014 it handled over 73 million passengers. Over 76,000 people work at Heathrow and the airport supports many local businesses. People living nearby are concerned about noise from planes using the new runway. The government report recommended financial support for soundproofing homes and schools, and a ban on night-time flights.

TEST YOURSELF! Can you:

- Explain why improvements in road and railways are important for the UK economy?
- Explain why improvements in ports and airports are important for the UK economy?
- Give examples with factual information for improvements in road, rail, ports and airports
- Evaluate the success of the examples - advantages and disadvantages



Location of UK ports

Liverpool 2

Key idea: 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: the north-south divide. Strategies used in an attempt to resolve regional differences

WHAT IS THE NORTH/SOUTH DIVIDE?

In the UK we often talk about the 'north-south divide'. This refers to the real or imagined cultural and economic differences between:

- the south of England (the South East, Greater London, the South West and parts of eastern England)
- the north of England (Yorkshire, the Humber, the North East and North West) and the rest of the UK.

In general the south enjoys higher standards of living, longer life expectancy and higher incomes. It also has higher house prices, more congestion and, according to some measures less 'happiness'!

It is important to remember there are exceptions to this idea. For example Scotland has a lower unemployment rate than the NE, but is more north. Inequalities exist within regions.

WHY IS THERE A NORTH-SOUTH DIVIDE IN THE UK?

During the Industrial Revolution the UK's growth was centred on the coalfields in Wales, northern England and Scotland. Heavy industries and engineering thrived in cities such as Manchester, Sheffield and Glasgow, generating wealth and prosperity. Since the 1970s many industries (such as steel-making, ship building and heavy engineering) have declined and unemployment increased. Alternative sources of energy have reduced the importance of coalfields and modern industries have located elsewhere.

London and the South East developed rapidly due to a fast-growing service sector.

London is a major global financial centre and has grown faster than the rest of the UK. This has led to high house prices across the South East.



Key idea: 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: the north-south divide. Strategies used in an attempt to resolve regional differences

WHAT STRATEGIES ARE THERE TO REDUCE THE NORTH/SOUTH DIVIDE?

There have been many attempts to address the problems caused by de-industrialisation in the north. Financial support from the UK government and the EU has helped new businesses and improvements in infrastructure.

Foreign investment has been encouraged in the north: Nissan at Washington in Tyne and Wear opened in 1984. and Mitsubishi at Livingston. near Edinburgh. opened in 1975.

In 2015 the government launched a new strategy for a 'Northern Powerhouse' to help balance the wealth and influence of London and the South East. This involves developing the economies of the major cities in northern England such as Liverpool and Manchester. Tourism, food and energy are to be developed in rural areas.

IMPROVEMENTS IN TRANSPORT

Money has been invested in transport improvements including:

- a new high-speed rail service (HS2) between London and the and the electrification of the Trans-Pennine railway
- upgrade of the M62 cross-Pennine motorway
- the new Liverpool2 deep-water container
- the Mersey Gateway - a new 6-lane toll bridge over the River Mersey to improve access to the new deep-water port.

SPECIAL ENTERPRISE ZONES

Enterprise Zones Since 2011, 24 new Enterprise Zones have been created. Their aim is to encourage the establishment of new businesses and new jobs in areas where there were no pre-existing businesses. The government supports businesses in Enterprise Zones by:

- providing a business rate discount of up to £275000 over a five-year period
- ensuring the provision of superfast broadband
- financial allowances for plant and machinery
- simpler planning regulations to speed up establishment of new businesses

However, SEZs are not only located in the north. There are SEZs all over the country.



Special Enterprise Zones in England

LOCAL ENTERPRISE PARTNERSHIPS

In England, local enterprise partnerships (LEPs) are voluntary partnerships between local authorities and businesses set up in 2011 by the Department for Business, Innovation and Skills to help determine local economic priorities and lead economic growth and job creation within the local area **by encouraging companies to invest**. To date there are 39 local enterprise partnerships in operation.

LANCASHIRE EXAMPLE

Lancashire has a tradition of industry and manufacturing based on textiles and engineering. De-industrialisation led to many factory closures and job losses. Recent growth in manufacturing has been based on the development of aeronautical engineering. The Lancashire LEP will promote new businesses and create 50000 new jobs by 2023

- In 2013 a Business Growth Hub was established to support small and medium-sized businesses in the area. It aims to set up 400 new businesses and create 1100 new jobs by 2016.
- £20 million of transport improvements are planned in cities such as Preston and Blackburn, including the major new Heysham to M6 link.
- Enterprise Zones at Sarnesbury and Warton will create 6000 high-skilled jobs in advanced engineering and manufacturing (AEM) sector.

TEST YOURSELF! Can you:

- Explain how each strategy reduces regional differences (N/S divide)
- Use key facts and examples for each strategy
- Evaluate the strategies - are they successful? Which strategy is best? Worst? Why?



Economic developments in Lancashire

Key idea: 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: 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.

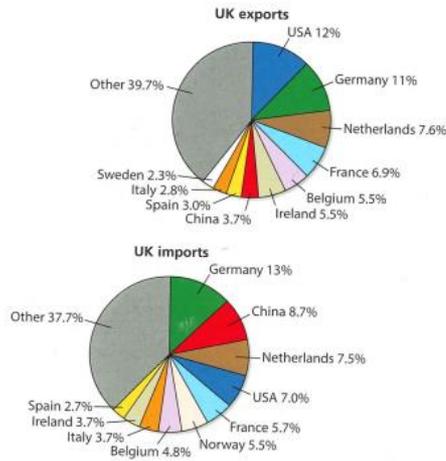
WHAT ARE THE UK'S LINKS WITH THE WIDER WORLD?

As globalisation increases, the world is becoming more and more inter-dependent. The UK has global links through trade, culture, transport and electronic communications. In the past the UK was one of the world's superpowers with an extensive empire in the Americas, Africa and the Asian Pacific. The UK is still an influential member of important international organisations such as the G8, NATO and the UN Security Council. Although its global position has declined, many nations see the UK as a fair, tolerant and law-abiding society with a long and rich cultural heritage.

TRADE

Trade involves the movement of goods and services across the world. This usually involves transport by air, sea, road and rail. The internet is becoming more important for trade, for example in finance, communications and the creative industries.

The UK's most important trading links are with the EU. As a single market, goods can be traded between member states without tariffs. However, after Brexit we are unsure whether this will change. The USA is an important historic trading partner, and there has been a recent growth in trade with China.



▲ Figure 20.39 The UK's main trading partners

TRANSPORT

London Heathrow is one of the busiest airports in the world. Its an important aircraft hub where people transfer between flights within Europe and worldwide (see page 247). There are important transport links between the UK and mainland Europe via the Channel Tunnel (photo C) and sea ferries. Southampton is a major port for cruise liners that take thousands of tourists around the world to destinations such as the Mediterranean and the Caribbean.



CULTURE

Culture includes the beliefs, values and habits of a society. Culture is expressed through art, food, fashion, architecture, music and traditions.

Television is one of the UK's most successful media exports. In 2013-14 it accounted for over £1.28 billion of export earnings. International sales of UK television programmes has almost quadrupled since 2004. Amongst the most successful recent programmes worldwide are Atlantis, Downton Abbey, Dr Who and Sherlock. The main markets are English-speaking countries such as the USA (47 per cent). Australia and New Zealand. The Chinese market is expanding rapidly, increasing by 40 per cent from the previous year to £17 million in 2013-14.

The global importance of the English language has given the UK strong cultural links with many parts of the world. Wherever you travel you will hear music, read books and watch films from the UK. Migrants have brought their own culture to the UK. For example:

- ◆ food (such as Indian, Chinese and Thai)
- ◆ films ('Bollywood' from India)
- ◆ fashion (from France and Italy)
- ◆ festivals (such as the Notting Hill Carnival).
- ◆ music (from America and Africa) Today the UK is a multi-cultural society, accepting people from many other countries.

TEST YOURSELF! Can you:

- Describe and explain UK trading links
- Describe and explain how the UK has links to the wider world in terms of culture
- Explain transport links UK has with the wider world

Key idea: 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: 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.

ELECTRONIC COMMUNICATION

99% of all Internet traffic passes along a multi-billion-dollar network of submarine high-power cables. The UK is a focus for these submarine cables with connections concentrated between the UK and the USA. There is a further concentration in the Far East connecting Japan, China and other countries in the region. Electronic communication is a vital part of the global economy and fast reliable connections are essential. A project known as Arctic Fibre will lay the first cables between London and Tokyo via the Northwest Passage, linking Europe and Asia - of 15000 km!

In the UK:

- 90% of population has internet - very connected!
- We spend more online shopping than anywhere in Europe
- 18 million businesses run from home (through internet)



POLITICAL LINKS: THE COMMONWEALTH

The UK is a member of the Commonwealth, a voluntary group of 53 countries, most of which were once British colonies. It is home to 2.2 billion people. 60 per cent under the age of 30. The Commonwealth includes some of the world's largest, smallest, richest and poorest countries. Thirty-one of its members are small states, many of them island nations. The Commonwealth Secretariat represents Commonwealth countries and provides advice on a range of issues including human rights, social and economic development and youth empowerment. The Secretariat aims to help governments achieve sustainable, inclusive and equitable development. The heads of each country meet every two years to discuss items of common interest.

There are important trading and cultural links between the UK and the Commonwealth countries. There are also sporting connections, with the Commonwealth Games - the so-called 'Friendly Games' - held every four years. The next games will be held in Birmingham in 2022.

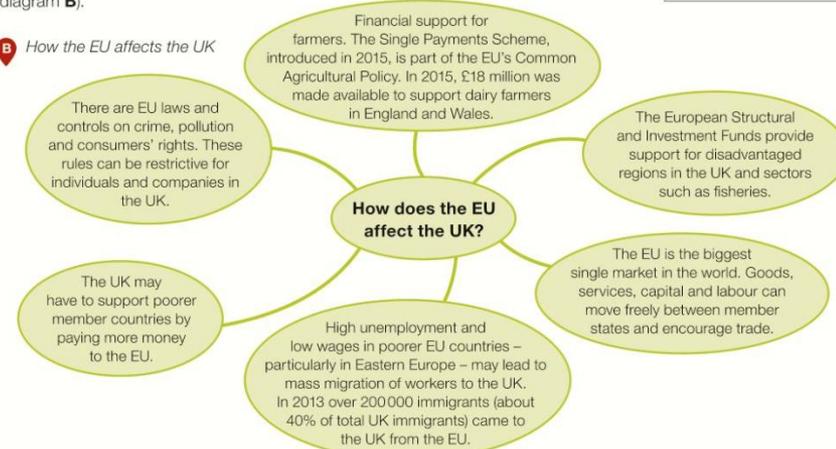


POLITICAL LINKS: THE EU

In 1973 the UK became a member of the European Union (EU). The EU began as a small trading group of industrial countries in north-west Europe. Over the years it has expanded to its current total of 28 countries, with the latest member Croatia joining in 2013. The EU is still an important trading group, but its powers have extended to exert political influence over its members and elsewhere in the world. Many in the UK feel that the EU capital in Brussels is becoming too influential in making laws which affect the UK. In June 2016, a referendum in the UK resulted in the UK deciding to leave the EU with 51.9% voting to leave. What that means for the UK is still being decided/debated today. It means our future in terms of migration, trading and laws is still very unclear.

(diagram b).

B How the EU affects the UK



TEST YOURSELF! Can you:

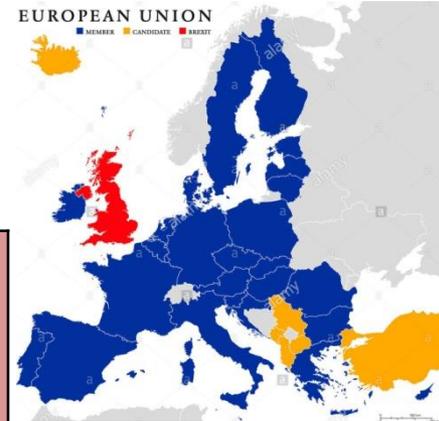
- How the UK is linked to the rest of the world through electronic communications and how this improves the economy
- Explain the UK's link to commonwealth countries and how this helps the economy
- Explain the UK's link to the EU and why this is complex

Key idea: 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: 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.

POLITICAL LINKS: THE EU

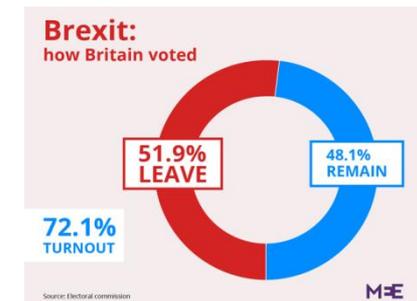
As we have seen, the links with the EU are complicated now because of Brexit. Below are some positives and negatives of being part of the European Union.



<p>Low prices of goods - there exists a 'Single Market' for all member countries wherein products are low-priced and there are no charges when it comes to custom tax; custom tax is usually charged when goods are transported or sold between states/countries but this is not applied among member countries 😊</p>	<p>Not all policies are efficient - a good example is that of the Common Agricultural Policy which resulted to oversupply and higher prices of goods 😞</p>	<p>Overcrowding - it was mentioned earlier that the citizens of member countries are free to move from one place to another; this has led to overcrowding in the major cities of UK and it has increased prices of houses, as well as congestion on the roads 😞</p>	<p>The 'single currency' poses a great problem - not all member countries are using the Euro though the EU emphasized its use; still, many problems have risen over the years 😞</p>
<p>It is costly to be a member of the EU - different sources claim that the cost per head ranges from £300 to £873 😞</p>	<p>Citizens are free to move from one member country to another - citizens can freely travel, study, work, or live in any European country of their choice. If people work in the UK from other countries, they pay tax which contributes to our economy 😊</p>	<p>More jobs are generated - more or less than 3.5 million jobs have been generated over the years. Workers from other countries are filling jobs that might not be filled otherwise in the UK. NHS is a good example of this. 😊</p>	<p>Workers are protected - this is made possible through the European Working Time Directive; the directive includes regulations regarding holidays, working hours, breaks, etc. There are many other laws that the UK has to abide by because of the EU that protect citizen rights. 😊</p>

TEST YOURSELF! Can you:

- Explain the positives and negatives of being part of the EU for the UK economy?



Key idea: 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: 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.

QUICK FACTS FOR THE UK'S GLOBAL LINKS

You should be able to use facts and figures to support your writing in the exam. Here are some quick facts about the UK's global links.

TEST YOURSELF! Can you:

- Use evidence to explain the UK's global links with the rest of the world?

UK Global Links

Political	<u>Commonwealth</u> <ul style="list-style-type: none">• These are 53 states across the world that were part of our colonial history• Many expats live there (Brits who live abroad)• The Queen is head of state in 16 of these countries• promotes democracy, good governance, human rights and economic development as the UK trades with its previous colonies <u>EU</u> <ul style="list-style-type: none">• We joined the EU in 1979 and opted to leave in 2016.• About 50% of exports and imports are to the EU• It's now a bit confusing as we go through the Brexit process about what will happen to EU laws that we have.
Trade	<ul style="list-style-type: none">• 49.6% of the UK's exports went to EU countries, and 50.4% went to non-EU countries such as the USA and China,. The USA takes the most.• A lot of trade is now finance and communications following deindustrialisation.
Transport	<ul style="list-style-type: none">• More than 750,000 international flights depart from the UK annually to 400 airports in 114 countries• Heathrow is the 4th busiest airport in the world (good seeing as we're not the 4th biggest population!)• Eurotunnel links our island to Europe
Culture	<ul style="list-style-type: none">• English Language has helped us set up strong links• Students abroad can sit British exams• UK TV productions have a global audience• We are a culture of immigration leading to a unique and multicultural society
Technology	<ul style="list-style-type: none">• 90% of population has internet - very connected!• We spend more online shopping than anywhere in Europe• 18 million businesses run from home

Unit 2B – Changing Economic World Exam Questions

- Explain how improving transport links can help reduce the north-south divide. (4)
- How does the UK benefit by having close links with the rest of the world? (6)
- Explain the link between trade and the development gap. (4)
- Compare the population structure of an LIC or NEE with one for a HIC. (6)
- Explain how the quality of life can be improved in an LIC you have studied. (4)
- How does uneven development lead to disparities of global wealth? (4)
- Explain how being a former colony may affect a country's economic development (3)
- Evaluate how the economic development of a country can be linked to the DTM. (6)
- Discuss whether trade or aid is the best way for poorer countries to develop. (9)
- Draw a labelled sketch of a population pyramid for a country in stage 2 of the DTM. (3)
- Explain how reducing the debt of a country might help reduce reforestation there. (2)
- Explain why tourism reduces the development gap. (4)
- How does uneven development cause international migration? (4)
- Outline one positive economic impact of deforestation. (1)
- Outline one advantage and one disadvantage of receiving long term aid. (2)
- How has the development of IT affected the growth and characteristics of the UK's economy? (6)
- To what extent do TNC's improve economic development and HDI in LICs and NEEs? (9)
- What is a TNC? (1)
- How can TNC's help to improve the status of women? (4)
- To what extent is the HDI the most effective measure of development? (6)
- How can aid reduce the development gap? (4)
- Describe what HDI is and explain how it can be used to measure a country's development. (6)
- Suggest how conflict can affect the level of development in a country (3)
- Explain how poor trade links might affect a country's development. (2)
- How can the manufacturing industry stimulate economic development? (4)
- Assess the costs and benefits of TNCs in India. (6)
- How can roads and rail development improve the UK's economy? (6)
- Explain the causes and impacts of de-industrialisation in the UK. (6)
- How do science and business parks provide opportunities for regional economic growth. (6)
- Explain how economic growth can have harmful impacts on the environment (6)
- Outline one disadvantage of using a single measure of development such as income (2)
- Give two reasons why there has been a growth in the number of science parks in the UK. (2)
- Outline one way that Fairtrade helps to deal with the problems of unequal development. (2)
- Suggest one reason why Fairtrade schemes are not always successful (2)
- 'Transnational corporations (TNCs) only bring advantages to the host country.' Do you agree with this statement? Justify your decision. (9)