**Paper 2: Challenges in the human environment**

**Section B: The changing economic world**

**The development gap**

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| **Development** means positive change that makes things better. As a country develops it usually means that people's **standard of living** and **quality of life** will improve. | | | | | | | **Quality of life** is used to evaluate the general well-being of individuals & societies (**SOCIAL**). Indicators include freedom of speech, right to join a union & to vote, access to health & education as well as quality of the environment. This is hard to make direct comparisons using indicators as this is largely qualitative & dependent on perceptions.  **Standard of living** refers to the level of wealth, comfort, material goods and necessities available to a certain group of people in a certain geographic area (**ECONOMIC**). | | | | |
| Different factors affect a country's level & speed of development:   1. **Environmental factors** such as natural hazards, climate & resources 2. **Economic factors** such as trade & debt 3. **Social factors** such as access to safe water, education & health 4. **Political factors** such as stable government or civil war 5. **Historical factors** such as when a country first industrialised & colonialism | | | | | | |
| **Gross National Income (GNI)** is the total value of goods and services produced by a country, plus money earned from & paid to, other countries. GNI is often expressed as per capita; meaning the GNI divided by the population. It is a measure of economic development used by the **World Bank.**  The **World Bank** uses four different levels of income to divide the countries of the world into:   * High income * Upper-middle income * Lower-middle income * Low income | | | | | **Newly-Emerging Economies (NEEs)** are countries that have begun to experience higher rates of economic development, with a rapid growth of industry. These include the **BRICS** countries:   * Brazil * Russia * India * China * South Africa   And the **MINT** countries   * Malaysia * Indonesia * Nigeria * Turkey | | | | | **Human Development Index (HDI)** links wealth to health & education. It is a social measure to show how far people benefit from a country's economic growth. HDI was devised by the **United Nations**; the measure includes:   * Life expectancy at birth * Number of years of education * GNI per head   HDI is expressed in values 0-1 where 1 is the highest. This enables countries to be ranked. | |
| **Measures of development**. A single measure of development can give a false picture as it shows an average & does not indicate disparities of wealth within a country (inequality).   * **Birth rate**: * **Death rate**: * **Infant mortality**: * **Doctors per 1000 people**. * **Literacy rate** * **Access to clean water** | | | | | | The **Demographic Transition Model (DTM)** shows changes over time in the population of a country.   * **Natural change** * **Natural increase** * **Natural decrease** * The DTM does not show changes due to immigration & emigration.   As a country becomes more developed its population structure changes and it moves from stage 1 through to stage 5. This pattern occurred in developed western countries. Germany is now in stage 5.   * **Stage 1 - traditional rainforest tribes -** high fluctuating * **Stage 2 -** * **Stage 3 -** * **Stage 4 -** * **Stage 5 -**   Countries at different stages of the DTM will have different shaped population pyramids. | | | | | |
| A **population pyramid** is a type of graph that shows the age-sex composition of a given population. | | **D**ependency ratio is a mathematical sum that allows governments to judge how many people of working age (15-64) they have relative to how many people are said to be dependent (0-14 and 65+) Calculated by:  Dependents (population 0-14 + population 65 plus) x100  People of working age (15-64) | | | | | | | | | |
| **Causes** of **uneven development** include **physical** (environmental), **economic** & **historical factors**.  **Physical causes**  **Economic causes**  **Historical causes** | | | **Consequences of uneven development**:   1. Disparities in **wealth** 2. Disparities in **health** 3. **Migration patterns** - fleeing refugees & economic migrants   **Inequalities** exist at all scales and in all countries. | | | | | | | | |
| **1 - Disparities in wealth**   * North America has just over 5% of the world's population but 35% of total global wealth. * Africa has approximately 12% of the world's population but holds about 1% of total global wealth.   **2 - Disparities in health**   * In LICs infectious diseases (**HIV/AIDS. malaria, tuberculosis**) are the main cause of death. Children are also very vulnerable to an early death. * In HICs chronic diseases (heart/lung diseases, cancer, dementia, diabetes) are the main cause of death. * **Malaria-** | | | | | **3 - Migration** is the movement of people from place to place. It can be **voluntary** or **forced**.  Immigrant - a person who moves into a country   * **Emigrant** – * **Economic migrant** – * **Refugee** – * **Displaced person** –   **Refugees moving into Europe**: More than a million migrants & refugees crossed into Europe in 2015 sparking a crisis as countries struggled to cope with the influx. The Syrian civil war, which began in 2011, is a major driver of migration into Europe.  **Economic migration to the UK**: Since 2004 over 1.5 million economic migrants have moved to the UK, two-thirds of whom are Polish. | | | |
| **Reducing the development gap** can involve a range of strategies:   1. Investment 2. Industrial development 3. Tourism 4. Aid 5. Intermediate technology 6. Fairtrade 7. Trading groups 8. Debt relief 9. Microfinance | **1 - Investment** | | | | | | | | | | **2 - Industrial development** |
| **3 Tourism**  **Jamaica** | | | | | | | | | | | |
| **4 -** **Aid** | | | | | | | | | | | |
| **5 - Intermediate technology**  **Adis Nifas, Ethiopia, irrigation project**: | | | | **6 - Fairtrade**  An example is **Ugandan coffee farmers** who joined the **Gumutindo Coffee Cooperative**. The cooperative gives the farmers the advantage of economies of scale and they also process the coffee beans locally which adds value. | | | | | **World trade is not fair**; richer countries benefit more from world trade than poorer countries. Rich countries maintain this status quo by using **tariffs, quotas** & **agricultural subsidies**. These strategies limit **free trade** which has the potential to reduce the development gap:   * **Tariffs** * **Quotas** * **Agricultural subsidies** | | |
| **7 - Trading groups** are countries which have grouped together to increase the level of trade between them by cutting tariffs & discouraging trade with non-members. LICs can form trading groups to help off-set the power of HICs. An example is **ECOWAS** (Economic Community of West African States) or the **EU**. | | | | | | | | | The **debt crisis** originated in the 1970s & 1980s when many poor countries borrowed money (**loans**) to invest in industry & infrastructure. The **loans** could not be repaid due to low commodity prices & high oil prices.  **Highly indebted poor countries** (**HIPCs**) | | |
| **8 - Debt relief**. By cancelling debt the money that would have been used to pay the interest on the loan can instead be used to invest in industry, infrastructure & services like health & education. This will lead to development rather than keeping the HIPCs in poverty.  In **2005** the world's richest countries (**G8**) agreed to cancel the debts of many HIPCs if they met certain criteria:   * Demonstrate they could manage their finances * Show there was no corruption in their government * Agree to spend the saved money on education, health care & reducing poverty   By 2015 36 of the 39 HIPCs had met these conditions & were receiving full debt relief from the **International Monetary Fund (IMF).**  In **Uganda** the government has spent the money saved financing debt on safe water for 2 million people.  **Disadvantages**: Can lead to further debt as LICs expect it will be written off in the future & corrupt governments may not spend the money to help the poor. | | | | | | | | |
| **9 - Microfinance**  **Grameen Bank, Bangladesh** is an example of microfinance. Loans are often less than $100 with low interest rates. | | |

**Nigeria: a Newly-Emerging economy**

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| * **Nigeria** is in **West Africa**. * Nigeria has a **tropical climate** with regional variations. * The south towards the **Gulf of Guinea** is hot & wet for most of the year * Further inland towards the **Sahe**l (north) there is a long dry season. | **Global importance of Nigeria** | | | | | | **Nigeria's importance in Africa** | | |
| **Politics**  **Political organisations**:   * African Union - economic planning & peacekeeping * ECOWAS - trade group * CEN-SAD - trade & sport * OPEC - Organisation of Petroleum Exporting Countries * United Nations - international cooperation * Commonwealth - loose network of nations | | | | **Society & culture** | | | | | **Trade exports:**  **Trade imports:** |
| **Economy**   * Traditionally based on export of primary products - cocoa, timber, oil palm, groundnuts & cotton * **Discovery of oil** in Niger Delta (1950s) led to changes:   + 14% of GDP   + 98% of export earnings   + 10th highest level of world oil reserves - 50 years supply left * Relatively balanced economy; split between agriculture, industry & services. * **Employment structure**: * **Manufacturing** is a fast growing sector which has led to the **multiplier effect**:   + 10% of GDP   + Processed food   + Leather items   + Textiles   + Soap   + Detergents | | | | **Trans National Corporation (TNC)** is a large company that operates in several countries; usually with its headquarters in one country (HIC) & production plants in several others (LIC) to take advantage of:   * Tax incentives * Cheaper labour * Laxer environmental laws * Access to wider market   About 40 TNCs operate in Nigeria including Unilever & Royal Dutch Shell (Shell Oil) | | | | | |
| **Advantages of TNCs in Nigeria** | | | | **Disadvantages of TNCs in Nigeria** | |
| **Royal Dutch Shell (Shell Oil) in Nigeria**   * Anglo-Dutch TNC with headquarters in the Netherlands * Invested huge amounts in extracting oil from the swampy Niger Delta; one of the most difficult places in the world to extract oil   **Positives**  **Disadvantages** | | | | | **Unilever in Nigeria**   * Anglo-Dutch TNC with joint headquarters in London & Rotterdam * Produces food, drinks, personal care & cleaning products * Employs 1500 people * In 2014 voted second best company to work for in Nigeria * Products aimed at growing Nigerian market with new products developed for local cultures * Aims for high standards of employment & environmental stewardship * Claims all of its palm oil comes from sustainable sources * Social responsibility programme promoting improvements in health, education and water supply | | | | |
| **Poverty in Nigeria**  Despite rapid economic growth & oil revenue poverty persists:   * 100 million Nigerians live on less than US$ 1 per day - 60% of the population * Birth rates & infant mortality rates are high * Life expectancy is low * Limited access to safe water, sanitation & electricity | **Aid given to Nigeria:**   * Aid in Nigeria is intended to benefit those in poverty * Nigeria receives 4% of aid given to African countries * In 2013 aid represented 0.5% of Nigeria's GNI = US$5 billion * Most successful projects are delivered directly to the people in need; community projects supported by small charities & NGOs. | | | | | **Aid projects in Nigeria**   * 2014 World Bank approved US$500 million to fund development projects & provide long-term loans to businesses to help reduce dependence on oil revenue * Health & HIV programme in rural areas funded by UK Department for International Development * NGO Nets for Life provides anti-malarial nets & education to tackle malaria * USAID funded Community Care in Nigeria project supports orphans & vulnerable children * Aid from the USA educates & protects against spread of AIDS/HIV | | | |
| **Official aid** given to the Nigerian government has been less effective than aid given directly to communities; primarily due to corruption:   * Government may divert the funds elsewhere - build up the Navy?! * Donors may have political influence over what happens * Money may be used to promote commercial self-interest of the donor * Aid creates dependency | | | **Environmental impact due to economic growth.**  **1. Industrial growth**  **2. Urban growth**  **3. Commercial farming**  **4. Deforestation**  **5. Mining & oil extraction** | | | | | | |
| **Successful community health project**:   * Aduwan, Kaduna State, northern Nigeria * Lacked a health clinic, adequate health workers & suffered from a high incidence of HIV/AIDS & a high infant mortality rate * ActionAid (support) and World Bank (funds) collaborated to build a new health clinic in 2010   + Trains & educates local women about immunising children   + Tests for HIV & other infections   + Immunises children against polio * Amnesty International organised legal support for victims of the Bodo oil spills (2008/09). In 2015 Shell agreed to £55 million compensation pay-out. | | |
| **Benefit of economic development** | | **Limitation of economic development** | | | | | **Future success depends upon** | | |

**The changing UK economy**

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| **Primary activities** are those which produce the raw materials for industry e.g. mining, quarrying, farming, fishing and forestry. **2% UK employment (2015)**  **Secondary activities** are the manufacturing and assembly industries. They take raw materials and manufacture finished products from them e.g. steel manufacture and car assembly. **10% UK employment (2015)**  **Tertiary activities** are service industries and include doctors, teachers, lawyers, estate agents, travel agents, accountants, financial services and policemen. **78% UK employment (2015)**  **Quaternary activities** are the newest, most hi-tech sector of industry. They are the research and development industries. Examples include the development of new computer components and research into GM crops. **10% UK employment (2015)** | | | | |
| The UK economy has changed over time:   * Before 1800 * 19th century shift * Post WW2 shift * Growth of quaternary sector is the latest trend | | **De-industrialisation** is the decline in manufacturing & the subsequent growth in tertiary & quaternary employment. This has happened in the UK (post WW2) due to: | | **Globalisation** is the process by which the world’s local and regional economies, societies, and cultures have become integrated together through a global network of communication, transportation and trade.  Globalisation has contributed to the decline in UK manufacturing & increase in the UK tertiary & quaternary sector as people work on global brands & products. |
| **Changes to government policy on industry**   * **1945-1979** * **1979-2010** * **2010 onwards** | **Post-industrial economy** is where manufacturing industry declines to be replaced by growth in the service sector & quaternary sector.  The UK post-industrial economy is characterised by:   * **Information technology** * **Service industries & finance** * **Research** | | | A **science park** is a group of scientific & technical knowledge based businesses located on a single site – **University of Southampton Science Park**. |
| A **business park** is an area of land occupied by a cluster of businesses that are often located on the edge of town – **Cobalt Business Park, Newcastle-upon-Tyne**. |
| **Environmental impact of industry in the UK**   * Quarrying & mining scars the landscape, destroys habitats & produces waste material – **Torr Quarry, Somerset** * Manufacturing plants & industrial processes create visual, noise, air, soil & water pollution * Transport requirements (road) of industry cause further pollution   Environmental impact of industry can be reduced by technology, strict regulation & fines. | | | **Rural landscapes** in the UK are changing due to migration.  **South Cambridgeshire – population growth**  **The Outer Hebrides – population decline** | |
| **Transport** involves the movement of people, goods & services. Efficient transport is essential for the national economy & regional development. Transport infrastructure projects also create jobs.   * **Road** * **Rail** * **Ports (sea)** * **Airport developments** | | | | |
| The **north-south divide** is the real or imagined cultural & economic differences between the south of England & the north of England plus the rest of the UK. In general the south of England enjoys a higher standard of living, higher incomes & higher life expectancy.  **De-industrialisation** from the 1970s led to high unemployment in the industrial & coal mining regions – Manchester, Sheffield, Glasgow, and south Wales’s coalfields. | | **Strategies to reduce the north-south divide include**:   * **Financial support from the UK government** * **Encourage foreign investment** * **Transport improvements** * **Enterprise Zones** * **Local enterprise partnerships (LEPs)** | | |
| In the past the UK was a world superpower. This is no longer the case but the UK maintains a position of influence through organisations such as the G8, NATO and the UN. Globalisation has made the world more inter-dependent. The UK has global links through:   * **Trade** * **Culture** * **Transport** * **Electronic communication** * **Commonwealth** * **European Union** | | | | |