

1. THE DEVELOPMENT GAP

Development means positive change that makes things better. It usually means that people's standard of living and quality of life will improve.

The Development gap is the difference in standard of living between the world's richest and poorest countries.

Measuring development:

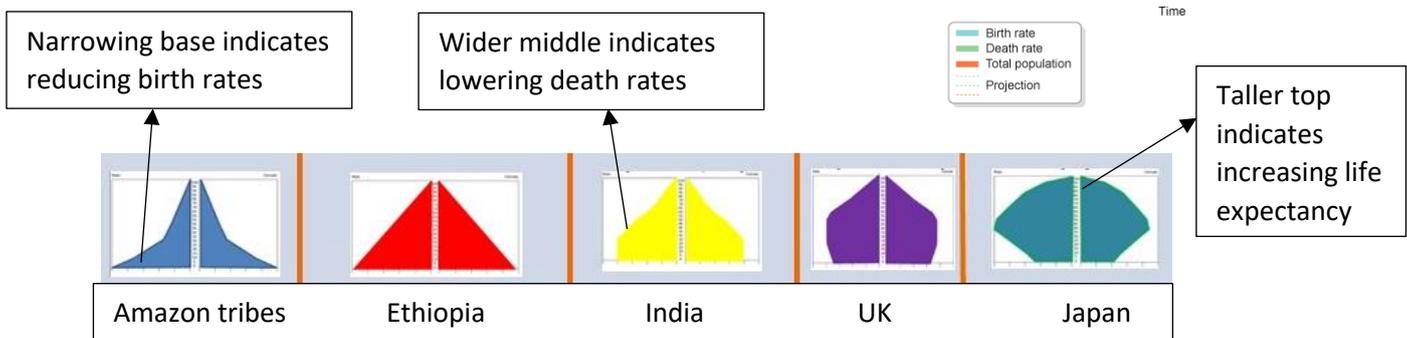
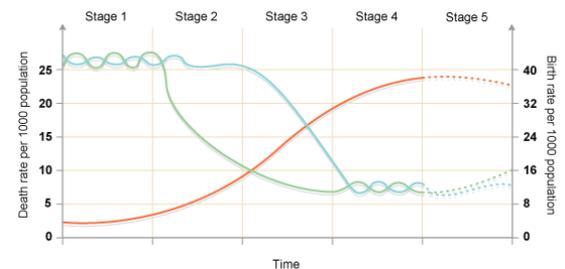
- *Gross domestic product (GDP)* – the total value of goods and services a country produces per year
- *Human development indicator (HDI)* – combination of life expectancy, literacy rate, education and income per head. It takes different factors of development into consideration. This is a composite indicator.
- *Life expectancy* – the average age a person can expect to live to
- *Literacy rate* – the % adults who can read and write

There are **limitations** of using a single measure of development - it can give a false picture as it gives an average.

The Demographic Transition Model (DTM) shows changes over time in the population of a country.

The total population responds to variation in birth and death rates (natural change). This may be a result of **improvements in healthcare, access to contraception, empowerment of women, smaller family size.**

Countries at different stages of the DTM have population pyramids of different shapes.



❖ Causes of uneven development

1. **Physical** – landlocked countries are cut off from seaborne trade, which is important for economic growth e.g. Chad. Lack of adequate supplies of clean water can affect farming and the health of workers. Extreme weather e.g. droughts, can slow the development and it can be costly to repair infrastructure. Climate-related diseases and pests affect the ability of the population to stay healthy enough to work, e.g. malaria.
2. **Economic – trade** – LICs often trade raw materials and HICs want to pay as little as possible for these. As there is large supply of raw materials, price remains low. HICs process these materials adding value to them and so the rich get richer while the poor get poorer. Raw material value can fluctuate, making it unreliable.
3. **Historical – colonialism** – almost all wealth produced in colonial period went to European powers. Countries have since become independent, but this is a difficult process resulting in civil wars and political struggles for power which has continued to hold back development.

❖ Impacts of uneven development

1. **Imbalance between rich and poor** – some countries have lower levels of development and poorer quality of life than others. Imbalances also exist *within* countries.
2. **Disparities in wealth** – in 2014 the fastest growth of wealth was in North America which holds 35% of global wealth. Africa's share of global wealth is about 1%.
3. **Disparities in health** – LICs – complications at childbirth. Infectious diseases e.g. HIV and Malaria are a main cause of death. HICs – main cause of death is chronic diseases e.g. cancer. Few deaths of children.

Migration is the movement of people from place to place. It can be voluntary or forced. International migration is a consequence of uneven development, as people seek to improve their quality of life.

Immigrant – a person who moves INTO a country

Emigrant – a person who moves out (EXITS) a country

Economic migrant – a person who move voluntarily to seek a better life, such as a better-paid job

Refugee – a person forced to move from their country of origin, often as a result of civil war or natural disaster

Displaced person – a person forced to move from their home but who stays in their country of origin

Middle Eastern refugee crisis, 2015: Syrian civil war since 2011 causing many people to flee the country to temporary camps in Turkey, Jordan and Lebanon. An estimated 1.1 million entered Germany in 2015. In March 2016, the EU and Turkey signed an agreement to give Turkey financial benefits in return for taking migrants.

Economic migration into the UK: since 2004 over 1.5 million economic migrants have moved to the UK, two-thirds of whom are Polish. Migrants pay tax and work hard. They can put pressures on services e.g. health and education.

❖ **Strategies to reduce the development gap:**

1. **Investment** – many countries and TNCs invest money in LICs (to increase their profits), which supports the LICs development by providing employment and income. E.g. Chinese companies have invested in Africa.
2. **Industrial development** – brings employment, higher incomes and opportunities to invest in housing, education and infrastructure. This then helps the population – **multiplier effect**. E.g. Malaysia has seen large growth in its wealth since 1970s. foreign investment exploit natural resources and develop manufacturing.
3. **Aid** – when a country or NGO (e.g. Oxfam) donates resources to another country to help or improve people's lives. Aid can take the form of money, emergency supplies, food or technology, specialist skills (i.e. doctors or engineers). Can reduce development gap by enabling countries to invest in development projects; and, by focusing on health care, education and services. E.g. Goat Aid – helps families buy goats produce milk + meat
4. **Intermediate technology** – a sustainable and appropriate to the needs and wealth of local people taking the form of small scale projects. E.g. Adis Nifas in Ethiopia where a small dam was built creating a reservoir close to fields for irrigation.
5. **Free trade** – when countries do not charge tariffs and quotas – this has the potential to benefit the world's poorest countries. Advantages of joining trading group – encourages free trade between members.
6. **Fairtrade** – an international movement that sets standards for trade and helps to ensure that producers in poor countries get a fair deal. Farming done in an environmentally friendly way. Product has better position in the global market. Part of the price is invested in local community development projects.
7. **Microfinance** – small-scale financial support for small start-up businesses e.g. Grameen Bank, Bangladesh
8. **Debt relief** – countries borrowed money to develop economies- led to debt crisis. Debt relief helped countries invest in development projects e.g. infrastructure – BUT corrupt governments may keep money
9. **Tourism** – countries with tropical beaches or spectacular landscapes have become tourist destinations. This has led to investment and increased income from about. Tourism can become vulnerable during recession.

How tourism has contributed to Jamaica's development  over the last few decades, tourism has helped raise the level of development in Jamaica and reduce the development gap.

Economy	Infrastructure	Employment	Quality of life	Environment
<ul style="list-style-type: none">• 2014 – tourism contributed 24% of Jamaica's GDP• Income from tourism is US\$2 billion	<ul style="list-style-type: none">• Tourism has led to investment on north coast• Improvements in road and airport slower than other facilities• Some areas remain isolated	<ul style="list-style-type: none">• Provides 200,000 jobs (direct + indirect)• Employment in tourism provides income which helps to boost economy	<ul style="list-style-type: none">• In northern tourist areas (e.g. Montego Bay), wealthy Jamaicans have high standard of living.• Still large amount of poverty.	<ul style="list-style-type: none">• Conservation and landscaping projects provide job opportunities.• Mass tourism can create environmental problems e.g. excessive waste

2. NIGERIA: A NEWLY EMERGING ECONOMY (NEE)

Nigeria is a country in West Africa. Nigeria borders Benin, Niger, Chad and Cameroon. It has experienced rapid economic development. In 2014 Nigeria became the world's 21st largest economy. Nigeria supplies 2.7% of the world's oil. The majority of its economic growth is based on oil revenues. It has recently developed a diverse economy which includes financial services, telecommunications and the media. The centre of Lagos is a thriving economic hub. Politically Nigeria has a significant global role. It currently ranks as the fifth largest contributor to UN peacekeeping missions around the world.

Nigeria has one of the fastest growing economies in Africa. In 2014 it had the highest GDP in the continent. Nigeria has low levels of productivity and there are widespread issues over land ownership. Nigeria has the potential to lead the way for Africa's development. Despite problems with corruption and infrastructure.

Political context- In the 1960s many African countries gained independence and Nigeria became fully independent in 1960. There was a civil war between 1967 and 1970. It is only since 1999 that the country has a stable government. Several countries are investing in Nigeria: China is making investments in the capital Abuja, South Africa investing in business, and USA in Microsoft.

Social context- Nigeria is a multi-ethnic and multi-faith country. Economic inequality between the north and the south of Nigeria has created religious and ethnic tensions with the rise of Islamic fundamentalist group Boko Haram. This has created a negative impact on the economy with a reduction in investment.

Regional variations- There are huge variations in levels of wealth and development. Urban areas have a greater share of public services and facilities- 60% of children in urban areas attend secondary school, this is only 36% in rural areas. GDP is higher in the south due to better physical conditions such as the Niger Delta, higher rainfall and access to oil reserves. GDP is lower in the semi-arid north where there is drought and desertification. Also the threat of terrorist groups like Boko Haram is limiting economic growth in the north.

Cultural context- Nigeria enjoys a rich and varied culture. The Nigerian cinema known as Nollywood is the second largest film industry in the world.

Political links- 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 been a leading member of the African political and economic groups as well as international organisation with the UN. It is also part of OPEC which aims to stabilise the price and regular supply of oil.

Global trading relationships- Main exports are crude and refined petroleum, natural gas, rubber, cocoa and cotton. Its main imports are cars, telephones, rice and wheat. One of the fastest growing imports is telephones.

Nigeria's economy- The discovery of oil in the Niger Delta in the 1950s has led to a big change in Nigeria's economy. Oil accounts for 14% of the country's GDP. At the present rate of production it has around 50 years of supply left. Between 1999 and 2012 Nigeria's economy has become much more balanced. Employment in agriculture (primary) has fallen, and there has been growth in the secondary and tertiary.

Manufacturing sector- Manufacturing involves making products from raw materials. Manufacturing was hindered and processing was mostly done abroad. Today manufacturing accounts for 10% of Nigeria's GDP (processed foods, textiles, leather goods). The sector is likely to increase with cheap labour and improving infrastructure. It has stimulated growth: *regular paid work gives people a secure income, more people are employed and revenue from taxes increases, a thriving industrial sector attracts foreign investment which stimulates further economic growth.*

TNCs- A TNC is a transnational corporation which is a large company that operates in several countries. TNCs locate in foreign countries to take advantages of tax incentive, cheap labour and access to a wider market. **40** TNCs operate in Nigeria. The majority have their headquarters in the UK or USA.

Advantages	Disadvantages
<ul style="list-style-type: none">• Employment and development of new skills• Investment by companies in local infrastructure and education• Valuable export revenues are earned	<ul style="list-style-type: none">• Local workers are sometimes poorly paid• Working conditions are very poor• Profit generated goes abroad

Example- Unilever in Nigeria: Unilever is Anglo- Dutch TNC with joint headquarters in London and Rotterdam. It produces foods and drinks. It started in Nigeria in 1923 with manufacture of soap and has diversified throughout the years. It employs 1500 people. It helps to improve quality of life and has promoted improvements in health care, education and water supply. It was voted the second best place to work in Nigeria.

Example Shell Oil: One of the world's largest oil companies with headquarters in the Netherlands. Its operation in the Niger Delta have been controversial. Shell has invested a large amount of money in extracting oil in the delta which is usually a difficult process. *Benefits: employment for 65,000 Nigerian workers, 91% of Shell contracts to Nigeria companies, supporting the growth of Nigeria's energy sector. Disadvantages: oil spills has caused water pollution and soil degradation, frequent oil flares send toxic fumes into the air, oil theft is a major problem.*

- ❖ **Aid-** Aid is assisting people. Despite Nigeria's economic growth and wealth from oil reserves many people in Nigeria are poor. They have limited access to water and electricity. Almost **100 million people (60% of population)** live on less than \$1 a day. Life expectancy and infant mortality rates are high especially in the north east of the country. Nigeria receives about **4%** of aid given to African countries. Aid has brought benefits to people living in poverty. The most successful projects are community based supported by charities and NGOs. The **NGO Nets for Life** provides education on malaria prevention and distributes anti mosquito nets to many households. However aid can sometimes not be used effectively: corruption in the government, money may be used for other purposes e.g. building up Nigeria's navy, donors may have political influence over what happens to aid. *Example- The Aduwan Health Centre- community of Aduwan in northern Nigeria did not have a health centre. There was a high rate of HIVs and infant mortality rate. With support from Action Aid a health clinic was built in 2010. The new clinic educates mothers about the importance of immunising children against polio and provides tests for HIV.*
- ❖ **Economic growth and the environment-** Rapid economic growth has had a negative impact on the environment. There are 5000 industrial plants and 10,000 illegal small scale businesses. This has resulted in environmental problems: in Lagos many harmful pollutants go into drains which are harmful to people, disposal of chemical waste on land threatens ground water, 80% of Nigeria's forests have been destroyed through logging. In addition urban growth has resulted in squatter settlements in most cities and waste disposal and traffic congestions have been a major problem. Commercial farming has led to land degradation. The building of settlements and roads have destroyed over 500 types of plants. Mining and extraction of raw materials such as oil has led to pollution and oil spills. Economic developments in the Niger Delta have caused conflicts with the locals. *Bodo oil spills 2008/09-* Two large oil spills devastated livelihoods of thousands of farmers and fishermen living in the town of Bodo near the Niger Delta. Leaks in a major pipeline caused 11 million gallons of crude oil to spill over a 20km² area. In 2015 Shell agreed to pay £55 million compensation. It has agreed to clean up the swamps and the community will use the money to build health clinics and improve schools.
- ❖ **Quality of life-** Economic development will help quality of life to improve due to better access to water, sanitation, education, infrastructure, healthcare etc. People will have a higher disposable income to spend on schools and recreation. Quality of life is measured by the UN's Human Development Index (HDI) which has been steadily increasing since 2005 and is now 0.50. Life expectancy has increased to 52 years from 46 years in 1990. Despite the clear improvements many people are still poor as there are limited access to the services. 30 years ago Nigeria was at a similar stage of development to Malaysia, which has developed and moved far ahead. The gap between the rich and the poor in Nigeria has become wider. Corruption is the major factor along with not diversifying the economy to the full potential. Nigeria's over-dependence on oil could be a problem in the future.

60% of the population live in poverty. They need to address the following challenges:

- **Political-** need for a continuing stable government to encourage inward investment
- **Environmental-** pollution of Niger Delta by oil spills and desertification in the north
- **Social-** religious divides between Christian south and Muslim north and the Boko Haram terrorist group

3. THE CHANGING UK ECONOMY

The UK economy has changed, in the 1800s most people worked in the primary sector (farming or mining). During the industrial revolution in the 1900s more people moved into the secondary sector (manufacturing). Today, there is more emphasis on jobs in research and ICT (quaternary sector) and service based (tertiary sector).

❖ What are the causes of economic change in the UK?

1. **De-industrialisation** – the decline of traditional industries, such as manufacturing. This has happened because machines and technology have replaced many people; other countries (e.g. China) can produce cheaper goods because labour is less expensive. This is called the *global shift*. This happened in Northern England e.g. Peugeot moving to Eastern Europe. This can create a *negative multiplier effect*.
2. **Globalisation** is the growth and spread of ideas around the world. Many people now work on global brands in the quaternary sector e.g. IT. Increased world trade and cheaper imported products have contributed to the decline in manufacturing.
3. **Government policies** – 1945 -79 the government created state-run industries. Government propped up many unprofitable industries. From 1979-2010 these industries were sold, this is called *privatisation*. Many older industries closed down. New companies brought innovation and change. 2010 onwards is 'rebalancing' the economy e.g. encouraging global firms to locate in UK.

❖ UK's post-industrial economy

A post-industrial economy is where manufacturing industry declines and is replaced by growth in the service and quaternary sectors. This happened in the UK from the 1970s.

- **Development of information technology** – internet access enables people to work from home. Over 1.3 million people work in the IT sector. The UK is one of the world's leading digital economies.
- **Service industries and finance** – the UK service sector has grown rapidly since the 1970s. Today it contributes over 79% of the UK's GDP. UK is the world's leading centre for financial services. The financial services sector accounts for about 10% of the UK's GDP.
- **Research** – this sector employs over 60,000 highly qualified people and is estimated to contribute over £3 billion to the UK economy. e.g. British Antarctic Survey – employs 500 people in Cambridge, Antarctica and Arctic. Linked to the university.
- **Science parks** – a group of scientific and technical knowledge based businesses located on a single site. Linked to a university, enabling use of research facilities. E.g. Southampton Science Park – includes Fibrecore and PhotonStar – good transport links (M3), links with University.
- **Business parks** – a business park is an area of land occupied by a cluster of businesses. Usually located on the edges of towns where land is cheaper and more available, less congestion, businesses can benefit from working together. E.g. Cobalt Business Park – Newcastle – includes

❖ Environmental impacts of industry

Manufacturing plants can look dull and affect the visual effect of the landscape. Industrial processes and waste products can cause air, water and soil pollution. The transport of raw materials and manufacturing products increases levels of air pollution.

e.g. **JCB – an example of sustainable industry**  – 22 plants in 4 continents – employs over 7000 people – make the grounds an area for the community – 24 acre lake – rare orchids, sustainable fish stocks of Roach and Bream. Used to be a marshy area where machines demonstrated digging capabilities, now it's an area for nature and the community to grow in harmony. *Sustainable strategies include: waste management initiatives; minimising business travel; water management initiatives; returnable packaging; industry in harmony with nature.*

❖ Changing rural landscapes

	Population growth: South Cambridgeshire	Population decline: Outer Hebrides
Changes	<ul style="list-style-type: none"> • Population of 150,000 increasing due to inward-migration – most come from Cambridge and Eastern Europe • 65+ population increasing 	<ul style="list-style-type: none"> • Population declined by more than 50% since 1901. • Limited employment – young people move away
Social effects	<ul style="list-style-type: none"> • 80% car ownership – traffic • Housing developments – lack community spirit. Young can't afford house prices 	<ul style="list-style-type: none"> • Expected fall in children = schools closing • Many elderly – few young to look after them
Economic effects	<ul style="list-style-type: none"> • Reduction in farming employment – sell land for houses. • Expensive houses – pressure on services 	<ul style="list-style-type: none"> • Services closing – farms can only provide small amount of work • Tourism increased – but not enough infrastructure.

❖ **Changing transport infrastructure**

- Roads** – 2014 ‘Road Investment Strategy’ includes: 100 new road schemes by 2020; 1300 new lane miles added to motorways and major roads; extra lanes added to turn main motorways into ‘smart motorways’. These schemes will create jobs and boost local economies. E.g. South-west super highway - £2 billion road widening project on A303.
- Railway** – there are plans to stimulate economic growth in the north of the UK. E.g. Trans-Pennine rail links reducing journey times by up to 15 mins; HS2- a planned high speed rail line to connect London with Birmingham, Sheffield and Leeds; London Crossrail – east to west trainline – will bring an additional 1.5 million people within 45 mins commuting distance of London’s centre.
- Ports** – about 32 million passengers travel through UK ports each year. Ports employ around 120,000 people. E.g. Liverpool2 – project will double capacity to over 1.5million containers a year. Will create 1000s of jobs in NW, boost regional economy, reducing freight traffic on roads.
- Airports** – create vital global links, provide 1000s jobs, boost economic growth regionally and nationally. Expanding Heathrow – proposed new 3rd runway – cost = £18.6 billion. Predicted to create new jobs BUT people living nearby concerned about noise and air pollution.

❖ **The north-south divide** – refers to real or imagined cultural and economic differences between the South of England and rest of UK.

Why is there a divide? During industrial revolution, UK’s growth was centred on coalfields, heavy industries and engineering. Since 1970s, many industries have declined, reducing prosperity in those areas. London and South East developed rapidly due to a fast-growing service sector.

How can regional strategies address the issue?

- Local enterprise partnerships (LEPs)** – LEPs are voluntary partnerships between local authorities and businesses. Aim to identify business needs and encourage companies to invest in order to boost the local economy and create jobs. E.g. Lancashire LEP – promote new businesses and create 50 000 new jobs by 2023; improve transport with £20million investment; extend superfast broadband across 97% of the region; create 6000 high skilled jobs in Enterprise zones.
- Enterprise Zones** – encourage new businesses and jobs. The government supports businesses in Enterprise zones by: providing a business rate discount; ensuring provision of superfast broadband; creating simpler planning regulations.

Evidence of N/S divide	
Life expectancy	N = 75.7 yrs S = 79.5 yrs
House prices	N = £137,000 S = £265,000
Govt. spending per person	N = £6983 S = £9176

❖ **The UK in the wider world**

What are the UK’s links with the wider world?

- Trade** – UK’s most important trading links with EU. Goods can be traded between member states without tariffs. USA important historic trading partner. Recent increase with trade with China. UK export to USA (£38,858), UK imports from Germany (£59,365).
- Transport** – London Heathrow is one of the busiest airports in the world. There are important transport links between the UK and mainland Europe via the Channel Tunnel and sea ferries.
- Electronic communication** – 99% internet traffic passes along network of submarine high powered cables. Connections are concentrated between UK and USA. A project known as Arctic Fibre is due to connect London and Tokyo.
- Culture** – global importance of English Language as given the UK strong cultural links with many parts of the world. E.g. in 2013-14 TV accounted for over £1.28 billion of export earnings. Migrants have brought their own culture to the UK, such as food and festivals.

What are the UK’s links with the EU?

EU has 28 member countries. It is an important trading group, but its powers also include political influence. Many in UK feel that EU is too influential in making laws which affect the UK. In 2016, UK voted to leave the EU.

- ✓ Financial Support for farmers and disadvantaged regions in UK
- ✓ Goods, services, capital and labour can move freely between member states and encourage trade
- ✓ In 2013, about 40% of total immigrants were from EU
- ✓ There are EU laws and controls on crime, pollution and consumer rights

What are the UK’s links with the Commonwealth?

The Commonwealth is a voluntary group of countries, most of which were once British Colonies. The commonwealth Secretariat provides advice and support to member countries on a range of issues including human rights and social and economic development. There are important trading and cultural links. There are also sporting connections, such as the Commonwealth Games.