

# YEAR 11 UNIT 4: Changing Economic World (a)

## What is development?

Development is an improvement in living standards through better use of resources.

**ECONOMIC** - This is progress in economic growth through levels of industrialisation and use of technology.

**SOCIAL** - This is an improvement in people's standard of living. For example, clean water and electricity.

**ENVIRONMENTAL** - This involves advances in the management and protection of the environment.

## How is development measured?

These are used to compare and understand a country's level of development.

### Economic indicators examples:

- **Employment type** - The proportion of the population working in primary, secondary, tertiary and quaternary industries.
- **Gross Domestic Product per capita** - This is the total value of goods and services produced in a country per person, per year.
- **Gross National Income per capita** - An average of gross national income per person, per year in US dollars.

### Social indicators examples:

- **Infant mortality** - The number of children who die before reaching 1 per 1000 babies born.
- **literacy rate** - The percentage of population over the age of 15 who can read and write.
- **life expectancy** - The average lifespan of someone born in that country.

### Mixed indicators:

- **Human Development Index** - A number that uses life expectancy, education level and income per person

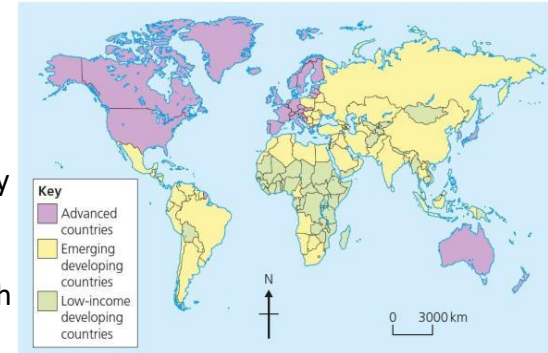


## Variations in development

**LICs** - Poorest countries in the world. GNI per capita is low and most citizens have a low standard of living.

**NEEs** - These countries are getting richer as their economy is progressing from the primary industry to the secondary industry. Greater exports leads to better wages.





**HICs** - These countries are wealthy with a high GNI per capita and standards of living. These countries can spend money on services.



## Causes of uneven development

Development is globally uneven with most HICs located in Europe, North America and Oceania. Most NEEs are in Asia and South America, whilst most LICs are in Africa. Remember, development can also vary within countries too.

### Physical factors affecting uneven development

Natural Resources	Natural Hazards
<ul style="list-style-type: none"> <li>• <b>Fuel sources</b> such as oil.</li> <li>• Minerals and metals for fuel.</li> <li>• <b>Availability for timber.</b></li> <li>• Access to <b>safe water.</b></li> </ul> 	<ul style="list-style-type: none"> <li>• Risk of tectonic hazards.</li> <li>• Benefits from <b>volcanic material</b> and <b>floodwater.</b></li> <li>• Frequent hazards <b>undermines redevelopment.</b></li> </ul> 
Climate	location/Terrain
<ul style="list-style-type: none"> <li>• <b>Reliability</b> of rainfall to benefit farming.</li> <li>• <b>Extreme climates</b> limit industry and affects health.</li> <li>• Climate can <b>attract tourists.</b></li> </ul> 	<ul style="list-style-type: none"> <li>• <b>Landlocked countries</b> may find trade difficulties.</li> <li>• Mountainous terrain makes farming difficult.</li> <li>• <b>Scenery attracts tourists.</b></li> </ul> 

## Human factors affecting uneven development

### Aid

- Aid can help some countries develop key projects for infrastructure faster.
- Aid can improve services such as schools, hospitals and roads.
- Too much reliance on aid might stop other trade links becoming established.



### Trade

- Countries that export more than they import have a trade surplus. This can improve the national economy.
- Having good trade relationships.
- Trading goods and services is more profitable than raw materials.



### Education

- Education creates a skilled workforce meaning more goods and services are produced.
- Educated people earn more money, meaning they also pay more taxes. This money can help develop the country in the future.



### Health

- Lack of clean water and poor healthcare means a large number of people suffer from diseases.
- People who are ill cannot work so there is little contribution to the economy.
- More money on healthcare means less spent on development.



### Politics

- Corruption in local and national governments.
- The stability of the government can effect the country's ability to trade.
- Ability of the country to invest into services and infrastructure.



### History

- Colonialism has helped Europe develop, but slowed down development in many other countries.
- Countries that went through industrialisation a while ago, have now develop further.



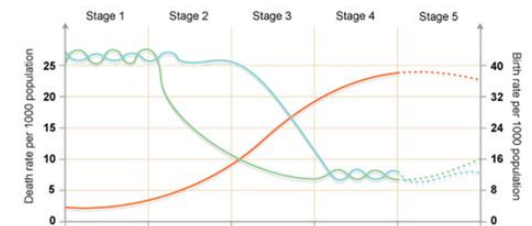
## Consequences of Uneven Development

Levels of development are different in different countries. This uneven development has consequences for countries, especially in wealth, health and migration.

- Wealth** - People in more developed countries have higher incomes than less developed countries.
- Health** - Better healthcare means that people in more developed countries live longer than those in less developed countries.
- Migration** - If nearby countries have higher levels of development or are secure, people will move to seek better opportunities and standard of living.

## Demographic Transition Model

The demographic transition model (DTM) shows population change over time. It studies how birth rate and death rate affect the total population of a country.



### STAGE 1

*High DR*  
*High BR*  
*Steady*

e.g. Tribes

### STAGE 2

*BR Low*  
*Declining DR*  
*Very High*

e.g. Kenya

### STAGE 3

*Rapidly falling DR*  
*Low BR*  
*High*

e.g. India

### STAGE 4

*Low DR*  
*Low BR*  
*Zero*

e.g. UK

### STAGE 5

*Slowly Falling DR*  
*Low BR*  
*Negative*

e.g. Japan

## Reducing the Global Development Gap

### Microfinance loans



This involves people in LICs receiving small loans from traditional banks.  
 + Loans enable people to begin their own businesses  
 - It's not clear they can reduce poverty at a large scale.

### Foreign-direct investment



This is when one country buys property or infrastructure in another country.  
 + Leads to better access to finance, technology & expertise.  
 - Investment can come with strings attached that country's will need to comply with.

### Aid



This is given by one country to another as money or resources.  
 + Improve literacy rates, building dams, improving agriculture.  
 - Can be wasted by corrupt governments or they can become too reliant on aid.

### Debt Relief



This is when a country's debt is cancelled or interest rates are lowered.  
 + Means more money can be spent on development.  
 - Locals might not always get a say. Some aid can be tied under condition from donor country.

### Fair trade



This is a movement where farmers get a fair price for the goods produced.  
 + Paid fairly so they can develop schools & health centres.  
 - Only a tiny proportion of the extra money reaches producers.

### Technology



Includes tools, machines and affordable equipment that improve quality of life.  
 + Renewable energy is less expensive and polluting.  
 - Requires initial investment and skills in operating technology

## Case Study: Reducing the Development Gap in Jamaica

**Location and Background** - Jamaica is a LIC island nation part of the Caribbean. Location makes Jamaica an attractive place for visitors to explore the tropical blue seas, skies and palm filled sandy beaches

### Tourist economy -

- In 2015, 2.12 million visited.
- Tourism contributes 27% of GDP and will increase to 38% by 2025.
- 130,000 jobs rely on tourism.
- Global recession 2008 caused a decline in tourism. Now tourism is beginning to recover.

### Multiplier effect -

- **Jobs from tourism** have meant **more money** has been spent in shops and other businesses.
- Government has invested in **infrastructure** to support tourism.
- **New sewage treatment** plants have reduced pollution.



### Development Problems

Tourists do not always spend much money outside their resorts. Infrastructure improvements have not spread to the whole island. Many people in Jamaica still live in poor quality housing and lack basic services such as healthcare.