

YEAR 11 UNIT 3: Changing Economic World (c)

Case Study: Economic Change in the UK

Causes of Economic Change

- De-industrialisation and the **decline** of the UK's industrial base.
- **Globalisation** has meant many industries have moved overseas, where labour costs are lower.
- **Government investing** in supporting vital businesses.

UK car industry

Every year the UK makes 1.5 million cars. These factories are owned by large TNCs. i.e. Nissan.

- 7% of energy used there factories is from **wind energy**.
- New cars are more energy **efficient and lighter**.
- Nissan produces **electric and hybrid cars**.



Change to a Rural landscape	
Social	Economic
<p>Rising house prices have caused tensions in villages. Villages are unpopulated during the day causing loss of identity.</p> <p>Resentment towards poor migrant communities.</p>	<p>Lack of affordable housing for local first time buyers. Sales of farmland has increased rural unemployment.</p> <p>Influx of poor migrants puts pressures on local services.</p>



The UK in the Wider World

- The UK has one of the largest economies in the world.
- The UK has huge political, economic and cultural influences.
- The UK is highly regarded for its fairness and tolerance.
- The UK has global transport links i.e. Heathrow and the Eurostar.

Post Industrial UK

- The **quaternary industry** has **increased**, whilst **secondary** has **decreased**.
- Numbers in **primary** and **tertiary industry** has **stayed the steady**.
- Big increase in **professional and technical jobs**.



Development of Science Parks

Science Parks are groups of scientific and technical knowledge based businesses on a single site.

- Access to **transport routes**.
- **Highly educated workers**.
- Staff benefit from **attractive working conditions**.
- Attracts **clusters** of related **high-tech businesses**.



Improvements to Transport

- A **£15 billion 'Road Improvement Strategy'**. This will involve 10 new roads and 1,600 extra lanes.
- **£50 billion HS2 railway** to improve connections between key UK cities.
- **£18 billion** on Heathrow's controversial **third runway**.
- UK has many **large ports** for importing and exporting goods.



North/South Divide

- Wages are **lower** in the North.
- Health is **better** in the South.
- Education is **worse** in the North.
- + The government is aiming to support a **Northern Powerhouse** project to resolve regional differences.
- + More **devolving of powers** to disadvantaged regions.

Reducing the north-south divide in the UK

NORTHERN POWERHOUSE HM Government

The 6 Core Cities of The Northern Powerhouse

Liverpool

Leeds

Manchester

Sheffield

Hull

Newcastle

Devolution of power

Local enterprise partnerships (LEPs) are partnerships between local authorities and businesses. They decide what the priorities should be for investment in roads, buildings and facilities in the area. With power being devolved from the south, local councils have been granted decision making and funding for improved infrastructure:

- Smart motorways aim to reduce congestion and make both commuting and trading more efficient
- HS2 line is a planned high-speed railway connecting London, to Birmingham, Leeds and Manchester
- frequency and shorter journey times

Background

As a result of deindustrialisation in the UK, cities that had built an economy around manufacturing and mining saw decline. The privatisation of some industries and the outsourcing labour to cheaper bases lead to cities, particularly in the north, suffering. The rise of the tertiary and quaternary sector has been increasingly important to the UK's economy. While the tertiary sector accounts for 78% of our economy today, the vast majority of STEM industries and the quaternary sector investment has been heavily focussed in the southeast. The north-south divide is clearly identifiable: wages in Huddersfield are 40% lower than London, life expectancy is 10 years lower in Glasgow than the southeast while Hull, Grimsby and Middlesbrough have some of the highest unemployment rates in the UK. A number of strategies have been adopted to manage this divide. The car industry has been successful to some extent, while more recent focus has been on the development of science and business parks. There are plans to expand Heathrow airport to increase capacity. While this further focuses investment in the south, the government argue plans are essential for the UK's future economic competitiveness while also allowing for more internal flights between London and the north.

The Northern Powerhouse

The Northern Powerhouse is one such scheme to boost the local economy of northern cities, particularly the 'core cities' of Manchester, Liverpool, Leeds, Sheffield, Hull and Newcastle. One of the Northern Powerhouse's main planks is an improvement in transport links between the North's major cities, to allow them to compete together as one major economy, rather than competing against one another. Proposed and completed projects include:

- Manchester will get a new £110 million theatre named The Factory
- Elected Mayors will assume more significant powers
- A £70m research project has been launched between the N8, the 8 most research intensive universities in the north
- £2.9bn to be spent on improving motorways such as the M60
- Investment in a smart ticketing scheme connecting the core cities with an Oyster card style system. Increased efficiency of barding would allow for greater frequency and shorter journey times