

The Changing Economic World

1. Development and QOL

Development

The progress of a country in terms of economic growth, the use of technology and human welfare.

Quality of Life

A measure of personal well-being, including wealth, health, and education.

Development Gap


The difference in levels of development between the world's richest and poorest countries.


GNI Per Capita

A measurement of economic activity that is calculated by dividing the gross (total) national income by the size of the population. GNI considers not just the value of goods and services but also the income earned from investments overseas.


LIC NEE HIC
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\$13845


6. Reducing the Development Gap

 **Investment** – TNCs invest in LICs/NEEs, creating jobs.

 **Aid** – Given by HICs to LICs (e.g. UK's aid to Ethiopia).

 **Fair Trade** – Ensures producers in LICs get a fair price.

 **Debt Relief** – Cancelling debts helps poor countries invest.

 **Microfinance** – Small loans to individuals to start businesses.

 **Tourism** – Creates jobs and income (e.g. Kenya safari tourism).

7. Tourism Reducing the development Gap

Location of Jamaica: Caribbean island, NEE, popular tourist destination.

 **How tourism helps:**






- Jobs created (200,000+ in hotels, transport, etc.).
- Infrastructure improvements (roads, airports, ports).
- Tourism = 24% of GDP.
- Multiplier effect benefits other sectors (e.g. farming, crafts).

 **Challenges:**

- Some areas (interior) still lack basic services.
- Economic leakage – some profits go to foreign companies.

2. Measuring Development



Indicator	Definition	Example
 GNI per capita	Income per person including overseas earnings.	HIC: UK = \$45,000
 HDI	Combines life expectancy, education and income.	0 (low) to 1 (high)
 Infant Mortality	Deaths of children under 1 per 1,000 births.	LICs have higher rates
 Literacy Rate	% of adults who can read and write.	Higher in HICs
 Life Expectancy	Average age people live to.	Longer in HICs

5. Consequences of Uneven Development



 **Wealth:** HICs hold most global wealth, LICs/NEEs often rely on primary products.

 **Health:** **LICs:** high infant mortality, fewer doctors, disease; HICs – longer life expectancy.

 **International Migration:** People move from LICs/NEEs to HICs for work and better living standards.

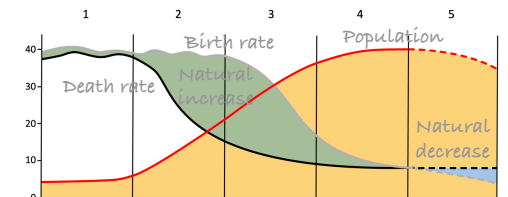
Example: Migration from North Africa to Europe across the Mediterranean.

3. Demographic Transition Model

The DTM shows how birth and death rates change as a country develops.

- Stage 1: High birth/death rates – no countries here today.
- Stage 2: Death rates fall (LICs) – e.g. improvements in health.
- Stage 3: Birth rates fall (NEEs) – contraception and education.
- Stage 4: Low birth/death rates (HICs) – stable population.
- Stage 5: Birth rates drop below death rates (e.g. Japan).

Link to Development: Countries move through stages as they become more developed.



4. Causes of the Development Gap



 **Historical:** Colonialism slowed progress in Africa, Asia, and South America.

 **Physical:** Landlocked countries, extreme climates, and natural hazards.

 **Economic:** Poor trade links, reliance on few exports, debt, unfair trade.

 **Political:** Corruption, conflict, unstable governments.

8. Nigeria: Location and Importance



 **West Africa, bordering the Gulf of Guinea.**

Regional Importance	Global Importance
<ul style="list-style-type: none">• Largest economy in Africa (2023 GDP ≈ \$477 bn).• Major exporter of oil and natural gas within West Africa.• Large and growing population provides labour force and consumer market.• Leads the West African peacekeeping force (ECOWAS).	<ul style="list-style-type: none">• Supplies 2.7% of global oil; 12th largest oil producer.• Member of the UN, African Union and OPEC.• Significant contributor to global music (Afrobeats), film (Nollywood), and sport.• Emerging economy with increasing role in global trade and investment.

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9.



Wider Context

- Political:**
 - Nigeria gained independence from the UK in 1960.
 - The country has experienced periods of military rule and is now a federal republic.
 - Corruption remains a significant issue, affecting governance.
- Social:**
 - Nigeria is ethnically diverse, with over 500 languages spoken.
 - Major ethnic groups include the Hausa-Fulani, Yoruba, and Igbo.
 - Religious tensions exist, particularly between the predominantly Muslim north and Christian south.
- Cultural:**
 - Nigeria's film industry, Nollywood, is one of the largest globally.
 - The country has a rich musical heritage, influencing global music trends.
- Environmental:**
 - Nigeria's environments range from semi-arid regions in the north to tropical rainforests in the south.
 - The Niger Delta is rich in biodiversity but suffers from pollution due to oil extraction.

14. Environmental



Impacts

- Deforestation:** Up to 80% of Nigeria's forests have been lost, leading to soil erosion and loss of biodiversity.
- Oil Pollution:** Oil spills have contaminated water sources and harmed aquatic life, particularly in the Niger Delta.
- Urban Pollution:** Rapid urbanisation has led to increased waste and air pollution in cities like Lagos.

15. Effects of Development



on Quality of Life

- +** Economic growth has increased employment opportunities and incomes.
- +** Improved infrastructure and services have enhanced living standards in urban areas.
- Economic benefits are unevenly distributed, with rural areas lagging behind.
- Environmental degradation has adversely affected health and livelihoods in some regions.

10. Changing Industrial



Structure

- Nigeria's economy has transitioned from being primarily agriculture-based to a more diversified structure, including manufacturing and services.
- Manufacturing now accounts for a significant portion of Nigeria's GDP.
- The growth of industries such as cement production, food processing, and textiles has stimulated economic development by creating jobs and attracting foreign investment.



13. Aid and Nigeria



Why is aid needed? 60 million Nigerians live in poverty. Key issues: poor healthcare, high infant mortality, low literacy, conflict.

Types of Aid: **Bilateral** – from countries (e.g. UK) | **Multilateral** – from organisations (e.g. World Bank) | **NGOs** – small-scale, targeted (e.g. Nets for Life) | **Loans** – must be repaid | **Debt Relief** – 2005 debt cancellation helped reduce repayment burden.

- | | |
|--|---|
| + <ul style="list-style-type: none">Mosquito nets and malaria education (Nets for Life).Health/HIV support (UK aid).World Bank loans for business and non-oil growth. | - <ul style="list-style-type: none">Corruption and misuse.Aid dependency.Uneven distribution.Political influence from donors. |
|--|---|

16. Causes of UK Economic Change



De-industrialisation

- Decline of traditional industries (coal, shipbuilding, steel).
- Caused by mechanisation, cheaper imports, and resource depletion.
- E.g. North East England hit hard by job losses.

Globalisation

- Growth in international trade and investment.
- Manufacturing moved abroad; UK now focused on services and high-tech.
- Foreign companies (e.g. Nissan) invest in UK jobs and technology.



Government Policies

- Privatisation and deregulation.
- Support for enterprise zones and education.
- Shift towards a knowledge-based economy.

11. The Role of TNCs



Shell Oil – Niger Delta

Advantages:

- Shell has invested heavily in Nigeria's oil sector, contributing to economic growth.
- The company provides employment opportunities and has funded infrastructure projects.

Disadvantages:

- Oil spills and gas flaring have caused significant environmental damage.
- Profits are often repatriated to the company's home country, limiting local economic benefits.

12. Changing



Relationships

Political Relationships

- Nigeria was part of the British Empire and remains in the Commonwealth.
- Strong ties with the UK and increasing political influence in Africa through the African Union and UN peacekeeping.
- Close partnership with China, including a \$12 billion investment in a 1,400 km railway.

Trading Relationships

- Exports: Crude oil (mainly to India, China, Japan, South Korea), cotton (to Australia, Indonesia), cocoa (to Barbados).
- Imports: Refined petroleum, food, cars, and mobile phones (mainly from China, EU, USA).
- Member of ECOWAS and OPEC.
- Shift from UK-focused trade to major links with India, China, EU, and USA.



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17. The UK's Post-Industrial Economy

Information Technology

- Employs 1.3 million; key to homeworking and mobile access.
- UK attracts major tech investment (e.g. £6.3bn in 2018).
- Tech sector is growing faster than the rest of the economy.

Service and Finance

- Largest UK sector; finance = 2 million jobs and 10% of GDP.
- London is a global financial hub, especially in fintech.

Research

- Contributes £3bn+ to economy; 60,000+ employed.
- Key areas: AI, cybersecurity, cleantech – often linked to universities.

Science and Business Parks

- 100+ science parks employ 75,000+.
- Located near cities/universities (e.g. Cambridge, Hull).
- Attract innovative firms and support collaboration.

20. Rural Change

Growth / Decline

Growth: South Cambridgeshire

- Inward migration for quality of life.
- Rising house prices affect affordability.
- New jobs and services, but commuters may spend money elsewhere.
- Social tensions between locals and newcomers.

Decline: Outer Hebrides

- Outmigration of young people = ageing population.
- School closures and fewer workers.
- Farming and fishing decline; tourism rising but infrastructure stretched.

22. North-South

Divide

The Divide

- South: Higher income, jobs, and investment.
- North: Impacted by de-industrialisation and lower economic growth.

Strategies to Reduce It

- Northern Powerhouse: Invest in cities like Manchester & improve transport.
- Devolution: Local mayors control spending on housing, transport, skills.
- Transport Projects: HS2 (part), rail upgrades to boost connectivity.
- Enterprise Zones: Tax breaks to attract business.
- LEPs: Local councils + business = more jobs and innovation.

19. A Modern Sustainable Industrial Development

Nissan Car Factory – Sunderland

- Electric Vehicles: Produces the zero-emission Nissan LEAF.
- Renewable Energy: Wind turbines and solar panels supply 7% of power.
- Lower Emissions: CO₂ cut by 22.4% since 2005.
- Zero Waste: All factory waste is reused or recycled.
- Water Saving: Rainwater harvesting and recycling used.
- Green Supply Chains: Eco-friendly materials and standards.
- Skills Academy: Trains workers in low-carbon manufacturing.



21. Infrastructure Developments



- £27.4bn invested (RIS2) in upgrades and smart motorways.
- Key routes: M3, M6, A14, A69 improved.



- Crossrail: Faster east-west London travel.
- TransPennine upgrade: Reliable, lower-emission travel.
- HS2: London-Birmingham link by 2033 (northern leg cancelled).



- Liverpool2 & London Gateway: Handle larger ships and more freight.
- Hull/Teesport: Growth in renewables and trade.



- Heathrow: Planned third runway.
- Manchester: Terminal 2 expansion.
- Gatwick: Runway upgrades.

23. The UK in the Wider World



Trade

- Trades globally in goods and services.
- Key partners: EU, USA, Commonwealth, Asia-Pacific.

Culture

- Global impact through music, media, sport, education.
- English is the world's business language.
- UK is a multicultural society shaped by migration.

Transport & Communication

- Heathrow, Channel Tunnel, and major ports link the UK globally.
- Strong digital links and tech hubs (e.g. London's Tech City).

18. Impacts of Industry on the Environment



Negative Impacts

- Air Pollution: From burning fossil fuels in factories and transporting goods.
- Water and Land Pollution: Waste from heavy industries can contaminate rivers, groundwater, and soil.
- Visual Pollution: Large industrial plants spoil the natural landscape.
- Waste Disposal: Industrial waste in landfills can leach harmful chemicals.
- Transport Impact: Road construction and vehicle emissions contribute to habitat loss and air pollution.



Sustainable Practices

- Technology: Reducing emissions with filters and desulphurisation.
- Regulations: Stricter controls on water and air pollution.
- Fines: Penalties for environmental damage.
- Conservation: Protecting ecosystems and promoting biodiversity.
- Examples: Nissan Sunderland, London Sustainable Industries Park, Torr Quarry.



Notes



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EU Links

- Left EU in 2020; still trades under UK-EU agreement.
- Cooperates on security, research, and energy.

Commonwealth

- 56 nations with shared history.
- Promotes trade, education, human rights, and cultural ties.