

The changing economic world - KO

Terms	
Bottom-up aid	Money given directly to local people.
FDI	Foreign direct investment.
GDP	Total value of goods and services produced in a year within one country.
GNI	Total value of goods and services produced in a year within one country, including income from overseas.
HDI	Value between 0 and 1 calculated from life expectancy, income per head, literacy rate and education level.
Infant mortality rate	The number of babies who die under 1 year old per thousand babies born.
Literacy rate	The percentage of adults who can read and write.
Per capita	Per person.
TNC	Transnational corporation – a company who have offices and factories across the world.
Top-down aid	Distributed by the government.

Key content

Development gap	Classifying the world	HIC: A country with a gross national income per capita above US\$12,000. NEE: A country whose economy is rapidly progressing toward becoming advanced. LIC: Countries with per capita incomes below \$400.
	Development indicators	GNI per head, human development index (HDI), birth rate, death rate, infant mortality, people per doctor, literacy rate, access to safe water, life expectancy. One measure alone can hide variation within a country.
	Demographic Transition Model	A model which shows development through time with total population, birth rate and death rate.
	Uneven development	Some areas of the world are more developed than others. Causes; economic (trade, primary products), physical (climate, resource availability, location) and historical factors (colonisation and conflict). Consequences; disparities (differences) in health, disparities in wealth, international migration.
	Strategies	Investment, aid, intermediate technology, fair trade, debt relief and loans.
Reducing the gap	Example – Kenya, Africa	Use tourism to reduce development gap. 12% of Kenya's GDP is from tourism. 600,000 people (10%) employed in tourism. Since 2005, HDI increase from 0.45-0.55.

Paper 2: Question 2

Key content

India	Importance and context	S. Asia, second most populous country in world (1.3bn people). British colony until 1947, HDI of 0.6.		
	Industrial structure	Primary = 50% of workforce but 17% GDP. Secondary = 22% workforce (growing). Tertiary and quaternary = 29% workforce, 53% GDP.		
	TNC - Unilever	Employs 16,000 with sales of over \$4.5bn. Development programmes helping poor women, hygiene education and loans. Profits leave to Holland and Britain and company causes environmental problems.		
	Global connections	Trades with immediate neighbours but more international trade due to foreign direct investment.		
	Aid	Receives short-term aid (2001 £10m from UK after earthquake), Long-term (£200m a year from UK to tackle poverty), 'top-down' and 'bottom-up'.		
	Economic development	Impacts on quality of life – wages increased by 42 rupees since 2010, improvements in water access and quality. Impacts on environment – Energy consumption increased, habitats destroyed.		
	UK	Economic change	Reduction in primary and secondary industry, rise in tertiary and quaternary post 1950. In 2011 81% worked in tertiary or quaternary industry.	
Post-industrial economy		Globalisation and de-industrialisation have led to changing government policies around industry and jobs. Move to IT, research and finance based jobs from industrial.		
Industry		Impacts - Teeside	Air pollution, waste water, land pollution	
		Example - sustainable	Jaguar Land Rover, Wolverhampton: natural cooling and light reduces energy usage, less waste to landfill.	
Rural changes		Experienced population growth due to improvements in infrastructure. Some have seen decline due to migration to cities with more opportunities.		
Infrastructure		New roads (motorways), ports (London Gateway), Air (Heathrow 3 rd runway) and rail (HS2) to help boost economy.		
North/south divide		People who live in the south generally; earn more, less likely to be unemployed and live longer. Can be managed by transport, science and innovation and devolved powers (transfer authority from central government to regions).		
Global connections	Language, culture, trade, commonwealth, EU, transport.			