GCSE The Changing Economic World Knowledge Organiser

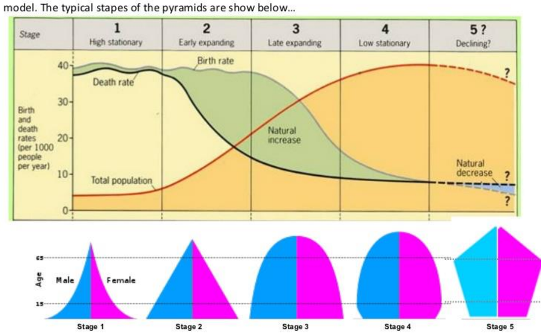
KI : There are global variations in economic development and quality of life

Key terms	Definitions
Birth rate	Number of births in a year per 1000 of the population
Death rate	Number of deaths in a year per 1000 of the population
Demographic Transition Model	A model showing how populations change over time in terms of their birth rates, death rates and total population size
Development	The progress of a country in terms of economic growth, technology and welfare
Gross National Income (GNI)	Gross national income divided by the size of the population
Human Development Index (HDI)	Development measure using GDP per capita, life expectancy and adult literacy. Given as an index figure
Infant mortality	Average number of deaths of infants under 1 year of age per 1000 live births per year
Life expectancy	Average number of years a person might be expected to live
Literacy rate	Percentage of people who have basic reading or writing skills
Access to safe water	Percentage of people with access to clean water
People per doctor	Number of people per doctor

Classification of countries	
LIC – Low Income Countries	US $1045 or less GNP 30 countries
NEE – Newly Emerging Economy	80 countries. Number increasing due to globalisation
HIC – High Income Country	US$ 12,736 or more 80 countries

Population Structures & the DTM

The population structures change as countries develop and progress through the demographic transition model. The typical stapes of the pyramids are show below...



Indicator	Limitations
LICs	Not higher death rate as have younger population
Birth rate	Useful except where government policies
Infant Mortality Rate	Decreasing in HICs. Increasing in LICs. Close link to wealth, access to services. Data can be inaccurate
Life Expectancy	Rising in HICs though may decrease due to obesity
Gross National Income	Blunt tool. No measure of how much $1 will buy. Hides variations
HDI	Most useful indicator. Economic and social element. Data can be unreliable. Does not account for subsistence economy, corrupt governments etc.

Causes of uneven development		
Physical	Climate Poor farming land Extreme weather	Few raw materials Lack of safe water Natural hazards
Economic	Poor trade links Debt Lack of education	Primary economy Corrupt government Poor health and water quality
Historical	Colonialisation	Conflict

Consequences of uneven development	
Disparities in wealth and health	HICs – higher income, better health care, higher life expectancy, lower IMR NEE – wealth not evenly distributed LICs depend on HICs for aud. Borrow from world bank causing debt North America 35% of global wealth, Africa 1%
International migration	Migration to countries with higher development e.g. Mexico to USA Depends on push and pull factors. Money sent home

KI : Various strategies exist for reducing the global development gap

Key terms	Definitions
Development gap	Difference in standards of living and wellbeing between LICs and HICs
Fair trade	When producers in LICs are given a better price for the goods they produce
Intermediate technology	Simple, easily learned and maintained technology used in a range of economic activities serving local needs in LICs
Microfinance loans	Very small loans given to people in LICs to help start a small business

Strategy for reducing the development gap	
Investment	Governments, organisations of companies invest in big projects. Provides employment and income leading to development. TNCs from NEEs and HICs inject FDI leading to multiplier effect
Industrial development and tourism	HEP helps economic growth in Africa and Asia. Brings employment, income and opportunities. Investment occurs in housing, education and infrastructure Move from primary products as issues with overproduction and import taxes. Manufacturing goods lead to more profit Tourism leads to investment and more income. Vulnerable to recession.
Aid	Gift (not repaid). Can be funding for development e.g. infrastructure which boosts economy and leads to an increase in quality of life. From countries / IMF / World Bank UK spends 0.7% GDP on aid
Intermediate technology	Comines sophisticated ideas with cheap readily available materials. Local knowledge and tools used eg. Afridev handpump, solar ovens
Fair Trade	Prevents exploitation with realistic prices and better working conditions. Increases standard of living, health care and education.
Debt relief	Writing off debts / making repayments lower and terms longer IMF / World Bank Highly Indebted Poor Countries Initiative helped 41 countries (mainly in Africa) control their finances, show no government corruption and agree to spend saved money on education, healthcare and decreasing poverty. Tanzania now has free education and Uganda has safe water for 2 million people African countries are over US$300 billion in debt
Microfinance loans	Provided by investors in HICs to entrepreneurs in NEEs and LICs. Many borrowers are women e.g. Glameen Bank in Bangladesh. Vital cash to escape cycle of poverty

EG of how tourism in a LIC can reduce the development gap	Case Study : Jamaica	
Reasons for tourism	Climate History and Culture beaches	Activities – fishing, watersports etc Landscape
How has it helped?	Contributes 24% of GDP; provides 200,000 jobs (direct or indirect); Improved roads, airports, cruise ship terminal; Jobs in conservation and landscaping; New skills learned through jobs in tourism.	
Concerns	Benefits unequal – mainly northern tourism areas; Many very poor people elsewhere; footpath erosion, excessive waste and harmful emissions; some parts of the island remain isolated.