

# Changing Economic World flash cards

## What 'Development Indicators' can be used to discover a countries level of development?

= GNI per head, birth and death rates, infant mortality, life expectancy, people per doctor, literacy rates, access to safe water, Human Development Index (HDI)

## What are the limitations (problems) of economic and social indicators (measures)?

- Data can be **out of date** and **hard to collect**
- Data may be **unreliable** (for example: Infant mortality rate is often higher in some countries than they report)
- Focus **only on certain areas** of development (don't give the whole picture of a country's culture and values)
- Government **corruption** can mean unreliable data
- A single measure is **just an average** for the whole country (quality of life may still be vastly different for people)

## What is the link between stages of the DTM and level of development?

= As a country becomes more developed its population characteristics change.

For example

Stage 1 = High birth and death rates = less developed

Stage 4 = low birth and death rates = high development

## What are the 'PHYSICAL' causes of uneven world development?

- Lack of safe drinking water
- Extreme weather in tropical areas = damage + high costs to repair
- Hotter tropical areas have more diseases than cooler parts of the world

## What are the 'ECONOMIC' causes of uneven world development?

- **Trade** = LIC's **sell** mainly **raw materials** like minerals, coal, timber. **HIC's** and rich companies want to **pay as little** as they can for these raw materials. = less money for LIC's to develop.
- Many LIC's and NEE's have **borrowed** huge amounts of **money** from rich countries **banks** to **develop industry** and are now caught in a '**debt trap**' where most of the money they make goes to **pay the interest** on the loans they have taken out.

## What are the 'HISTORICAL' causes of uneven world development?

- Most HIC's have been 'developing for many hundreds of years whereas **NEE's** have only **recently** begun to develop
- Much of South America, Africa and Asia used to be **ruled by HIC's** such as Britain and France. As these countries were given **their independence** back many civil **wars** and

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struggles for power have broken out. <b>Billions</b> have been spent on <b>weapons</b> instead of development and companies don't succeed well where there is <b>political instability</b>
<b>What are the consequences of uneven world development, ie WEALTH?</b> <ul style="list-style-type: none"><li>• <b>Rich northern</b> hemisphere (Europe, N America), <b>poorer southern</b> hemisphere (Africa, Asia)</li><li>• Imbalances also exist <b>within countries</b> with <b>poverty</b> in many parts of Britain and the USA and <b>great wealth</b> in some of the poorest countries.</li></ul>
<b>What are the consequences of uneven world development, ie HEALTH?</b> <ul style="list-style-type: none"><li>• LIC's suffer more ill health than HIC's because they are unable to invest in good quality health care, providing safe, clean water and food supplies.</li></ul>
<b>Give an example of a preventable life threatening disease that kills millions every year in LIC's</b> = Malaria
<b>What are the consequences of uneven world development, ie MIGRATION?</b> <ul style="list-style-type: none"><li>- Economic migration from poorer to richer countries for a better life.</li><li>• Refugees from Syria, Afghanistan migrating to richer countries for a better/safer life</li></ul>
<b>Name 4 strategies for reducing the global development gap</b> = Investment, industrial development and tourism, aid, using intermediate technology, fair trade, debt relief, microfinance loans.
<b>Name an example of how the growth of tourism in an LIC or NEE helps to reduce the development gap</b> = <b>Jamaica</b> <ul style="list-style-type: none"><li>- Tourism generates employment, taxes and foreign income</li><li>- ECONOMY = 24% of GDP (2 billion dollars per year)</li><li>- EMPLOYMENT = 200 thousand jobs + these workers spend money locally which produces more jobs and taxes.</li><li>- INFRASTRUCTURE = New harbour + road improvements</li></ul>
<b>Which country are you going to use as an example of an NEE?</b> <b>Nigeria</b> - on the west coast of Africa
<b>Why is Nigeria an important African country?</b> <ul style="list-style-type: none"><li>- Largest population in Africa</li><li>- Fast growing economy based on Oil, agriculture(farming) and a growing manufacturing industry which it trades around the world</li></ul>
<b>Nigeria has changed from agricultural (farming) based economy to a more balanced primary, secondary and tertiary economy. True or false?</b> <b>TRUE</b>
<b>How does an increase in manufacturing (factories making things) affect economic development in Nigeria?</b> <ul style="list-style-type: none"><li>- More people employed – more taxes</li></ul>

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<ul style="list-style-type: none"><li>- Regular paid work means more money spent in Nigeria which increases more industry like cars, clothes, electrical products etc</li></ul>
<p><b>What is a TNC? (Transnational corporation)</b> = A large company that operates in several countries.</p> <ul style="list-style-type: none"><li>- They usual have their headquarters in rich HIC's and produce their products cheaply in LIC's and NEE's due to the low wages, low taxes, lack of expensive environmental laws etc</li></ul>
<p><b>Which example of a TNC in Nigeria are we using the exam?</b></p> <ul style="list-style-type: none"><li>- <b>Shell Oil</b></li></ul>
<p><b>What benefits have Shell oil brought to Nigeria's economy?</b></p> <ul style="list-style-type: none"><li>- Huge tax contributor</li><li>- Employs 65 thousand workers and a further 250,000 jobs in industries that support Shell in Nigeria</li><li>- Invests in education and training</li></ul>
<p><b>What negative impacts has the transnational company Shell Oil brought to Nigeria?</b></p> <ul style="list-style-type: none"><li>- Locals are poorly paid</li><li>- High paid management jobs often go to foreigners brought in by the TNC</li><li>- Much of the profit goes back abroad</li><li>- Pollution effects fishing and agriculture- <b>2009</b> huge oil spills Shell paid £55 million compensation</li></ul>
<p><b>There are two types of AID. Emergency aid helps during and after wars, disasters etc. What is 'Developmental aid'?</b></p> <ul style="list-style-type: none"><li>- Long term support from governments, charities etc to improve quality of life such as clean water, education etc</li></ul>
<p><b>How does aid benefit Nigeria?</b></p> <ul style="list-style-type: none"><li>- Money from the UK funds a health and HIV programme and malaria prevention (free mosquito nets)</li><li>- Money from USA supports orphans and Aids/HIV education</li></ul>
<p><b>What prevents aid being used effectively in Nigeria?</b></p> <ul style="list-style-type: none"><li>- <b>Corruption</b> in the government and locals means much of the money never reaches people</li><li>- Government directs aid money to other uses ie improving the navy, buying weapons.</li></ul>
<p><b>How has economic development affected the 'quality of life' for the people of Nigeria?</b></p> <ul style="list-style-type: none"><li>- <b>Higher incomes</b></li><li>- <b>Better access to clean water and sanitation (toilets)</b></li><li>- <b>Better quality health care</b></li><li>- <b>Reliable better paid jobs</b></li><li>- <b>Reliable electricity supplies</b></li></ul> <p>However 60% of Nigerians still live in poverty</p>