

UNIT 4 Economic Transition

Recommended Prior Knowledge:

Candidates may have some prior knowledge of the basic terms and concepts of economic development from previous units studied at AS level. Students of Geography, Economics, Business Studies or Development Studies will have a good general background.

Context:

This unit carries forward the theme of economic development introduced briefly in Human Core 1.1: *The link between population and development: development indices*. It also shares links with material covered in unit 1: *Production, Location and Change*, particularly sub-sections 1.1 and 1.3.

Outline:

Economic development is uneven, being influenced by the availability of natural resources, physical characteristics of the areas concerned, and the level of technology reached. The role of transnational corporations has influenced much recent economic change. Economic development tends to focus on areas within a country or a region which have initial advantages, resulting in a prosperous core and a poorer hinterland or periphery. The result is often a very marked disparity in wealth between different areas within the same country. The economic prosperity may spread outwards from the core region in a process of cumulative causation. Local and national governments actively develop strategies designed to reduce regional inequalities, but not always successfully.

	Content	Objectives	Terminology	Suggested Teaching Activities	Online Resources	Other resources
4.1	National development Economic Activity	Classification of economic activity Knowledge that economic activity can be classified into primary, secondary, tertiary and quaternary sectors The service sector, business and financial services	Primary industry Extractive industries Manufacturing Service sector High-technology industries Information technology R & D (Research & development) Management consultancy	This section should be introduced by showing a series of slides or photographs of people at work in different occupations, leading to a general discussion of the basis for classification. Examples should be chosen from a variety of LEDC / MEDC / NIC contexts Can be linked to the Rostow model		Guinness & Nagle 125-126 Guinness & Nagle 162 Bowen and Pallister 228-231

				A follow-up exercise could utilise triangular graphs or a series of pie charts to compare the distribution pattern of employment structures in a number of countries.		
	Global and regional scales	To examine and understand the nature and causes of inequalities in social and economic conditions at global and regional scales	Agglomeration economies LEDC MEDC Brandt line CPE NIC RIC Development Gap	<p>Maps and tables can be used to illustrate the global development gap and highlight differences in social and economic circumstances.</p> <p>The roles of Trade and Aid in economic development could be introduced here, possibly utilising role play, debate or class discussion</p> <p>Links with material in unit 3 could be emphasised</p>		<p>Useful maps and tables in Nagle (D & U) 5-7 Useful maps and tables in Nagle (D & U) 5-7 Guinness & Nagle 169 – 180 Cook, Hordern et al 70-76 The Development Gap (Geo Factsheet 147, April 2003) Geo Factsheet 158 Free Trade or Fair Trade – why is this issue important?</p>
				This could lead into the next section with the introduction of data for the same countries at different time periods in order to show the effects of economic development.		

	National scale	<p>To understand that the pattern of economic activity in a country is a reflection of its current level of economic development</p> <p>To understand the use of social and economic indices as measures to compare quality of life in different countries</p>	<p>Core and periphery – global/regional and national scale</p> <p>Resource-rich zones Resource-poor zones</p> <p>PQLI – Peak Quality of Life index HDI – Human Development Index Living standards Quality of life Infant mortality Birth and Death Rates Literacy GDP/GNP</p>	<p>Use a brainstorming session and a matching exercise to analyse the effectiveness of different economic and social indicators in demonstrating variations in quality of life</p> <p>Statistics for quality of life for the home area/region could be compared with those from a selection of other countries Case Study – Sub-Saharan Africa: global problem region</p> <p>Case study – Development in a Javanese village</p> <p>Case Study – development in Mali</p>	<p>http://www.stat.wto.org/countryprofiles</p> <p>http://www.wdm.org.uk/campaign/index.htm</p> <p>http://www.unctad.org</p> <p>http://www.oneworld.org</p> <p>http://un.org</p> <p>http://www.europa.eu.int</p> <p>http://www.cia.gov/cia/publications/factbook/geos/sn.html</p>	<p>Nagle (Dev & Underdev) 4-5 gives a useful summary</p> <p>Guinness & Nagle 181</p> <p>Chapter 2 of Cook, Hordern et al 64 – 137, is very useful for the whole of this unit Least Developed Countries (Geo Factsheet 140, Jan 2003)</p>
4.2	The globalisation of industrial activity	To examine the concept of globalisation	<p>Globalisation Industrialisation Urbanisation Teleconnections</p>	Globalisation is the process in which national economies are becoming more and more integrated into a single global economy.		Bowen & Pallister 254-255

				<p>Actions and decisions taken in one part of the world have knock-on effects in other parts</p> <p>This could be discussed with reference to the presence of TNCs in the home country or region, bringing in candidates' own perceptions or experiences</p>	
				<p>See section on TNCs</p> <p>Case Study : the Motor Vehicle industry</p>	<p>See either: Nagle & Spencer (Diagrams) 112</p> <p>Or Cook, Hordern et al 105</p> <p>Changes in the European Car Industry (Geo Factsheet 138, Sept 2002)</p>
		<p>To study the global patterns of resources and primary production</p>	<p>Primary Production</p> <p>Extractive industries</p>	<p>LEDC economies tend to be disproportionately dependent on agriculture and extractive industries. The nature of the industries also varies spatially.</p> <p>Links between this and the economic and social indices already covered in 4.1 could be discussed</p>	<p>Cook, Hordern et al 108-9 on primary exports</p> <p>Bowen and Pallister, useful maps 234-235</p>

		To compare patterns in international spatial division of labour	Employment structures Division of labour Informal employment Semi-informal employment Global Shift	NIDL (New international division of labour) – the shift of manufacturing jobs from traditional First world centres to overseas locations where labour costs are lower Changes in the service sector		Cook et al – 258-267 excellent coverage of deindustrialisation and reindustrialisation Cook et al 268-280
		To examine the nature of transnational corporations (TNCs)	Transnational corporation Host country Base country	A model of the way in which TNCs grow and develop over time, with reference to the car industry in several countries Emphasis should be on a case study approach, with a minimum of theory	http://www.mcdonalds.com/countries.html http://www.cat.com/about_cat/cat_worldwide/cat_worldwide.html	Guinness & Nagle 151-158 Cook, Hordern et al 106-7, 110 – 112
		To gain knowledge of the global operations of one TNC		TNCs operating in the students' home country could provide a useful starting point for research. Many TNCs have informative internet sites. Suggested companies – Virgin/Nike/Mattel Look at their: <ul style="list-style-type: none"> • Operations • Organisation • Production 		Globalisation of manufacturing (Geo Factsheet 86 January 2000) Geo Factsheet 49 1998 – Transnational Corporations – the problem or the solution? Virgin – a new breed of MNC? (Geo Factsheet 123, Jan 2002) Geo Factsheet 161 The Global Shift

		To understand that globalisation means that industrial growth in one country may impact on the industrial activity in another country	Call-centres Tele-working Industrial relocation Industrialisation De-industrialisation Competition Rationalisation Reindustrialisation Comparative advantage	Manufacturing in MEDCs has been affected by competition from LEDCs and by world-wide economic events It may be possible to demonstrate this by reference to companies operating in the students' own countries/regions Two useful case studies from Geo Factsheets include: Small Island Developing Economies de-industrialisation in the UK and EU	http://www.the-global-south.org	Call centres Cook et al 275 Nagle & Spencer (diagrams) 109-110, 114 Guinness & Nagle 142 –147 Bowen & Pallister 242-247 Geo Factsheet 159 Small Island Developing Economies Geo Factsheet 107
4.3	Regional development Both 4,3 and 4.4 could be effectively dealt with by using a single detailed case study	To understand that social and economic development can vary greatly within a country	Regional development Resource region Core-periphery Primate City	Students need to learn that economic development is rarely evenly distributed in a country, and that definite policies need to be undertaken to spread economic growth. This could be effectively demonstrated by reference to the home country, if sufficient information is available		Regional Inequalities (Geo Factsheet 113, April 2001)

				Other case study material available includes: Economic Change in the Baltic Republics Regional disparities in Italy		Hill (Advanced Geography Case Studies)116-117 Nagle & Spencer (Diagrams) 123 – 125
		To examine the basis of the core-periphery model Industrial and economic development of a region within a country may be encouraged by a process of cumulative causation	Friedmann core-periphery model Cumulative causation Multiplier effects Backwash effects Growth Poles	Economic development can be studied in terms of models such as the core-periphery model Case Studies – Development in India, Development in S. Korea		Guinness & Nagle 183 – 185 Bowen & Pallister 232-233 Nagle (D&U)14-15 Guinness & Nagle 182-183 Nagle (D&U)10-11
4.4	The management of development As noted above, much of this material may be integral to the case study selected in 4.3	To study and evaluate the strategies adopted by one country to reduce its internal social and economic inequalities	Regional development	Case studies can be drawn from the students' own or a neighbouring country with which they are likely to be familiar. Material from the following sources could provide some additional insight into the issues if required: The Industrial and Economic development of Singapore		Hill 106 – 115 Nagle & Spencer (Diagrams) 125 Guinness & Nagle 186 – 189 and Cook, Hordern et al 87 – 94

				Reindustrialising the Ruhr Regional Policy in the UK Regional development in Canada Hong Kong Industrial growth in Malaysia Shanghai India		Prosser 105-8 on UK, though slightly out of date Guinness & Nagle 189 – 195 Cook, Hordern et al 81 – 82 Bowen & Pallister 252-3 Shanghai-Pudong: Economic Miracle? (Geo Factsheet 108, Jan 2001) India: a Third Generation Newly Industrialised Country? (Geo Factsheet 128, April 2002)
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