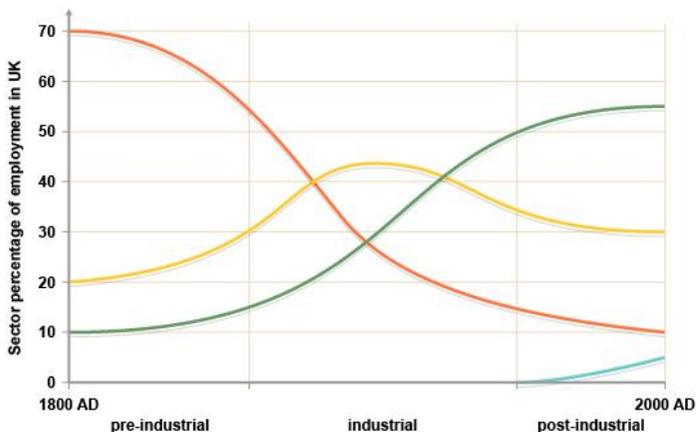


# Paper 2 - Section B – Changing economic world – UKs Economy

## Changes in the UK economy

- **Primary Sector** - Before 1800 most people in the UK worked in agricultural (farming) jobs.
- **Secondary Sector** - The industrial revolution changed this with people moving to cities and towns for work in the manufacturing (factories) sector. This made the UK an industrial economy and occurred in the late 18<sup>th</sup> century.
- **Tertiary Sector** - Over the last few decades this has changed again. Jobs in the manufacturing (secondary sector) have been lost and people have shifted into the Tertiary sector (services e.g. teacher or banking). This is known as a post industrial economy and now makes up 75% of our economy.
- **Quaternary sector** - More recently the quaternary sector has started to develop with a slow increase with the amount of people working in this sector such as research scientist.



## Impacts of industry on the environment

Even though we have less industry, what we do have still impacts the environment.

- Burning of fossil fuels releases greenhouse gases that cause lung problems and climate change.
- Waste products are often taken to landfill where substances can leak into the ground and pollute the air, water and soil.

## Reasons for the UKs changing economy –

### De-industrialisation – Industries such as Factories closing down

- Machines have replaced workers meaning less people are required to work. This is called mechanisation.
- Factories have moved abroad to LICs and NEEs as the amount they pay workers is less than in the UK meaning more profit for the factory owner.

### Globalisation – This is the growth and spread of ideas around the world.

- Has helped grown the tertiary and quaternary sectors as people can now offer their skills around the world via the internet and quick transport links. Jobs such as accounting can be based in London but operate worldwide

### Government policies – Each year the government announces its budget which decides how money will be spent in the country.

- Following the election of the conservative party led by Margaret Thatcher in 1979, several changes were made that changed the economy.
  - Many UK governments owned businesses were sold to private companies. This made the government billions but led to millions of people getting sacked as the companies preferred profit over the benefit of the workers. This added to the de-industrialisation the UK was already experiencing.
  - The Financial markets were given more freedom from the government (known as neo-liberalism) and allowed them to make profits but at greater risks. This helped grow the tertiary sector.
    - This contributed a strong period of economic growth in the UK.
- In 2008, the world suffered a massive global recession which crippled many companies and led to mass loss of jobs.
- This has since caused 'austerity' (a lack of investment within the country) in order to save money. The government also printed more money (known as quantitative easing) to increase productivity and help grow the economy. This has not fully worked.

## A post-industrial economy –

The UK is now considered a post industrial economy. This means we make the majority of our money from the tertiary and quaternary sectors.

### Development of ICT –

- This industry is worth £58 billion per year.
- 100,000 software companies in the UK which many 100,000 of people working in the industry

### Growth of service (tertiary) industry

- 75% of UKs economy.
- UK is second largest supplier of services worldwide.

### Finance and research

- London is considered the financial capital of the world (jobs with money). People all around the world use our financial services.

### Science and businesses parks

- These are locations, normally on the edge of a city, that are designed to improve science or business.
- They often have good transport links or are close to universities to access graduates.
- They have grown due to the rise in further education (Uni), the need for greater technology and innovation.

# Paper 2 - Section B – Changing economic world – UKs Economy

## Example of a sustainable modern industrial development – Torr Quarry

**Location** – Somerset, South East England.

### Background information

- Torr Quarry opened in the 1940s
- Torr Quarry is a large pit that stone is mined and taken from.
- It mines around 5 million tonnes of stone per year

### How it is more environmentally sustainable

- 200 acres has been blended into the surroundings. This will create more habitats for animals and make the quarry look more natural.
- The company operating the site, monitor the noise, pollution levels and water quality. This is to make sure it is not polluting and damaging the environment.
- Transport via rail rather than trucks is favoured. This is less polluting to the environment and more sustainable.

## The UKs changing rural (countryside) landscape

### Population growth – South Cambridgeshire

It is growing because it surrounds the city of Cambridge which provides good work opportunities and interesting places to see. It is also close to London.

- **Social effects** – More people in the area is leading to greater traffic
- **Economic effects** – House prices have increased as more people want houses than there are available. Often too expensive.

### Population decline – The Outer Hebrides

People are leaving due to its remote location, its lack of entertainment and poor weather.

- **Social effects** – Services such as schools will have to close as there are not enough students attending to make it worth the cost
- **Economic effects** – Services, such as the post office, has closed as it cannot make enough money to stay open.

## Improving transport infrastructure

The UK government is investing in infrastructure projects to help improve the UK economy

### Road improvements

- In December 2014, the government announced that they would be spending £15 billion on a project called the 'Road investment strategy'.

*Example - This money involves building 'smart motorways' that use technology to manage congestion and keep people and products moving quickly around the country.*

### Rail improvements

- £25 billion is being spent to upgrade the UK rail network by 2019. Improvements will include longer platforms that can cope with bigger trains and better stations.

*Example - HS2 is planned to be completed in 2031, at an estimated cost of at least £81 billion. This is a high speed rail link that will cut journey times between cities along people to commute further for better paying work.*

### Port Improvements

- UK ports remain the largest in Europe, in terms of volume of goods handled.
- 32 million people travel through UK ports each year and the industry employs 120,000 people.

*Example - Liverpool 2 port is a £300million project that is looking to double the amount of cargo it can hold. This will create thousands of jobs and boosts the UKs economy.*

### Airport improvements

- This area makes 3.6% of the UKs economy and has over 300,000 people working in it.

*Example - This is very valuable to the UK which is why they are building a 3<sup>rd</sup> runway at Heathrow airport (UKs busiest). The development will generate an estimated £147 billion over 60 years and 70,000 new jobs by 2050.*

## The North South Divide

### What is the north south divide?

People living in the north of England experience lower incomes, higher unemployment, and have a lower expectancy than those living in the south of England

### Strategies to reduce the divide

- High Speed 2 is a high-speed railway under construction (phase 1 will open in 2031) that will connect London to the midlands and Northern Cities and improve connection to companies in the North of England.
  - It will create 100,000 jobs when built.
  - 70% of these jobs created are meant to be outside of London
  - Northern economies could grow by £1.5 – 3 billion by time of completion
- More professional jobs to be created in Northern Cities.
  - For example, the BBC moved many of its offices to the newly built MediaCityUK in Salford in 2011. Since then, the multiplier effect has led to other companies locating close by which brings in more money.

## UK links to the wider world

The UK has strong political links with many countries.

Britain joined the European Union (EU) in 1973 and works closely with 28 other countries. It is also the leading country of the commonwealth which is a group of 53 countries from the old British empire. Both these examples help trade and funding of projects within the UK.

- **Trade** – the UK imports and exports goods from many countries. Over 50% of UK trade is with EU countries. The UK's next biggest trading partners are found in Asia and Oceania.
- **Transport** – increasing air travel is strengthening the UK's links with other countries. In addition to this, the UK has modern port facilities and a high speed rail link to Europe (channel tunnel)
- **Communications** – the UK is linked to the rest of the world via the internet. Internet cables beneath the sea provide a fast connection to countries globally.
- **Culture** – UK literature, music, cinema, sport, television, history and architecture are important globally. Books, such as the Harry Potter series, are sold worldwide and TV programmes such as Peppercorn are viewed in 180 out of 195 countries.