Monday 6th June 2022

The Changing Economic World Revision

Reducing the Development Gap:

* Tourism - Export for low-income countries, creates local jobs.
* Debt Relief - Poor countries often have higher interest rates on loans. By forgetting debts, LICs can spend more on things like healthcare.
* Industrial Development - Improving a country's exports and infrastructure to increase National Income.
* Fair Trade - Fair prices for (normally primary) goods produced by farmers. Increases quality of life of Farmers.
* Microfinance Loans - Allows people to give small loans (with low interest rates) to people in LICs. Allows people to setup local businesses and helps if local banking system does not work very well.
* Aid - Foreign Aid from governments/charities. Aid can be spent on food, water, infrastructure…
* Intermediate Technology - Technology that does not require much support (solar cookers, water filtration...). Improves lives without much government support.

Physical Causes of Uneven Development:

* Geographic Position - Countries located on the sea have easier access to global trade.
* Climate - Tropical countries are more likely to experience poor economic development, as working in the high midday heat is difficult. Extreme heat/cold can result in low food production, meaning the country cannot sustain a large population.
* Infertile Farmland - Caused by infertile soil or steep relief (gradient), this caused low food production, limiting the population size.
* Lack of Natural Resources - Countries that do not have many natural resources cannot sell them to other countries to develop.
* Frequency of Natural Hazards - Countries with common Natural Hazards are often rebuilding, meaning less development.

Economic Causes of Uneven Development:

* High National Debt - Poor countries often have high interest rates on their loans. This reduces the amount of money they can spend on other areas, such as healthcare
* Primary Production - Less-developed countries often only export primary resources, which are worth far less than processed (secondary) products.