Chapter 9 key issues 3 and 4 review by jeff

Most of the energy resources used by humans are nonrenewable

Most of the world’s energy consists of coal, petroleum, and natural gas. These are also known as fossil fuels, which is an energy source formed from the residue of buried plants and animals.

Developed countries have more demand over fossil fuels, and some developing regions have large supplies of them.

Demand for energy comes from businesses, homes, transportation

Renewable energy sources have an unlimited supply and are not depleted when used, nonrenewable energy forms so slowly that it cannot be renewed

A proven reserve is the supply of energy remaining in deposits that have been discovered. A potential reserve is supply in deposits that are undiscovered but are thought to exist.

OPEC was formed in 1950 by developing countries to gain more power over their resource.

The 2 largest alternative energy sources are nuclear, which is not renewable, and hydroelectric, which is. Nuclear energy can Have potential accidents, radioactive waste, it can form bomb material, it has limited reserves of uranium, and there is a high cost.

The renewable sources:

Hydroelectric power is generating electricity from the movement of water, it is renewable. Biomass is fuel derived from plant material and animal waste. Biomass sources include wood and crops. Wind power can also have moving air turn turbines. Geothermal energy is energy from heated steam from water that is underground, commonly found near where plates meet. Nuclear fusion is power created when the fusing of hydrogen atoms to form helium happens.

Solar energy is the ultimate renewable resource for sustainable development. It contains: passive solar energy, which harness the power without special devices, so these are like windows that heat and light up buildings. Active solar energy collect solar energy and coverts it into heat energy or electricity.

Developing countries face some obstacles to development, including: Adopting policies that successfully promote development, and finding funds to pay for development.

The 2 paths to development:

1. Self-sufficiency: countries encourage domestic production of goods, discourage foreign ownership of businesses and resources to protect their businesses. The key elements are that barriers, such as tariffs, quotas, and licenses to restrict the number of legal importers block the import of goods from other places. Small businesses are nursed to success, investment is spread equally, incomes in the country side keep pace with those in the city.

The challenges here are that the government protects inefficient businesses (businesses don’t have competition so they don’t have incentive to improve it), and a need for large bureaucracy (lots of room for inefficiency, abuse, and corruption.

2. International trade path: Countries open themselves to foreign investment and international markets. A country needs to identify important resources that it has and needs to sell it. The sale of more resources creates money to fund other development. There are the four Asian Dragons, consisting of South Korea, Singapore, and Hong Kong, which promoted manufactured goods, and the Petroleum rich Arabian Peninsula states, making use of the petroleum they had.

The main challenges are that there may be uneven resources distribution (selling weak priced items), increased development in developed countries (less goods for own people), and market decline (products can fall dramatically in price).

The Rostow model was a model that showed the stages of development a country needed to go to utilize the international trade path. The stages:

1. Traditional society: lots of people doing subsistence agriculture, wasting resources on military and religion
2. Preconditions for takeoff: country starts to use new tech and infrastructure; plantation agriculture is used more.
3. Takeoff: lots of industrialization, lots of manufacturing in urban areas
4. Drive to maturity: more modern technology, more industries, workers are more skilled
5. Age of mass consumption: economy shifts from stuff like steel and energy to consumer goods like motor vehicles and refrigerators, more people in the tertiary sector, exploit LDCs

Generally international trade has been the preferred method for development.

The World Trade Organization (WTO) helped promote the international trade development model, reducing barriers to international trade, reducing or eliminating restrictions on the international movement of money, and enforcing agreements.

Developing countries lack money to fund development, so they obtain financial support from developed countries. An investment made by a foreign company in the economy of another is known as a foreign direct investment. The major loans are made by the World Band and International Monetary Fund.

The Stimulus strategy fights economic downturn, saying governments should spend more money than they collect in taxes. People should be put to work on infrastructure

The austerity strategy also fights economic downturn, the government should sharply reduce taxes so the economy can be revived by spending their tax savings. Government should try to not increase debt

Fair trade is a variation of the international trade model of development that promotes sustainability. Fair trade is commerce in which products are made and traded according to standards that protect workers and small businesses in developing countries. The developing country gains more money for the product, workers are treated fairly, and microfinance is utilized

The progress in reducing the gap in level of development between developed and developing countries are based on: infant mortality rate, life expectancy, GNI per capita.

Millennium development goals were some goals set by the UN to reduce disparities between developed and developing countries.

TLDR of the ROSTOW model





The periphery are the least developed countries and are exploited by the core for labor, resources, and agriculture, but they depend on the core for investment.

The semi-periphery are the intermediate states that are exploited by the core, but exploit the periphery. These are expanding manufacturing.

The core are the exploiters, using military, social, and economic power to enforce inequality.

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