

## Unit 7: Industrial and Economic Development Patterns and Processes

### Topic 7.1 – Industrial Revolution

1. Where did the Industrial revolution begin? **England, in the late 1700s.**
2. Identify three ways in which the industrial revolution impacted the world. **Increased global trade, created a population boom, revolutionized economies, promoted urbanization, shifted work from cottage industries to factory work, and increased agricultural production.**
3. Explain how the Industrial Revolution impacted food production. **The enclosure movement happened in England, which boosted food production. Society also saw new technologies that increased crop yields and allowed food to have a longer shelf life. Farmers also could grow food farther away from the market with advancements in transportation, and preservation techniques.**
4. How did the Industrial Revolution impact the population distribution of countries? **Birth rates remained high, while deaths dropped. This created a population boom, which allowed for cities to expand and the middle class emerged. All of this was due to new technologies and a new food surplus.**
5. Explain why the Industrial Revolution motivated investors and countries to expand into Africa and Asia. **There was a new need for raw resources to support the emerging businesses created by the Industrial Revolution. Africa and Asia offered those raw resources and new markets for companies and countries to expand into.**

### Topic 7.2- Economic Sectors and Patterns

1. Complete the table below

	Primary	Secondary	Tertiary	Quaternary	Quinary
Description	Activities that rely directly upon extracting/obtaining raw materials	Activities that use raw materials to produce new products of greater value	Activities are service industries	Activities are about acquiring, processing, and/or sharing information	Activities are about decision making
Jobs	Fishing, farming, mining,	Processing wheat into flour, manufacturing, textile industry	Lawyers, doctors, salesperson	Teachers, researchers, journalists	CEOs of businesses, government officials
Location	Near natural resources	Located near raw materials or close to the market (Depends on cost of shipping)	Located where services are required and needed (Generally urban areas)	Improved communication/ technology allows these services to be located anywhere (Generally urban areas)	Improved communication/ technology allows these services to be located anywhere

2. Describe the difference between quaternary and quinary jobs and provide an example. **Quinary jobs are ones that involve the person making the decisions, while quaternary jobs are about the processing/acquiring of information. Example: Quaternary: Teacher and Quinary: Curriculum writers**
3. What is a break-of-bulk point? **A location where goods are transferred from one mode of transportation to another. (Most common are sea ports or airports)**
4. Explain how Weber’s Least Cost Theory describes the location of industries and resources. **Industries will first locate their production based on transportation costs of the raw materials and the final goods. Other factors that will impact the decision, but not as much, are labor costs and agglomeration.**

### Topic 7.2- Economic Sectors and Patterns (Continued)

5. Explain the difference between a bulk-gaining product and a bulk-reducing product. **Products that are bulk-gaining become heavier after they are produced, making it more expensive to transport. This means that industries that are bulk-gaining will locate closer to the market. Bulk-reducing goods are the opposite; they become lighter and easier to transport after they are produced, which allows those industries to locate near the heavier raw resources.**
6. What has been happening to manufacturing in core countries? **Jobs are being offshored to semi-periphery, or periphery countries. This is due to the cheap labor in those countries and the raw resources they have.**

### Topic 7.3- Measures of Development

1. Complete the table below

	Symbol	Description
Gross Domestic Product	GDP	The monetary value of all finished goods/services made within a country
Gross National Product	GNP	The monetary value of all finished goods/services made by a country's residents (Includes people living outside of the country)
Gross National Income	GNI	Income earned by a country's residents living and working at home and abroad minus foreigners working in that country
Gender Inequality Index	GII	An index that measures reproductive health, freedom, and labor market participation
Human Development Index	HDI	A composite measure of life expectancy, literacy rate, and per capita income

2. What index would you use to better understand the standard of living in the country? **GDP**
3. Does an HDI score of .98 or .30 reflect more economic and social development? Explain. **A score of .98 reflects a more developed society. The highest score a country can get is a 1.0**
4. What are three barriers that would prevent a developing country from developing? **The amount of foreign debt, political instability, corruption, exploitation of natural resources, high amount of inequality, cultural resistance, or widespread disease.**

### Topic 7.4- Women and Economic Development

1. Describe how the role of women changes as a country develops. **As a country develops women gain more rights in society, they stop being seen as caretakers of the home and become providers. This allows women to join the workforce and become part of the economy.**
2. Women in developing countries that are just entering the workforce typically work in? **Agriculture or manufacturing such as textiles**
3. Identify two inequalities that women face in the workforce. **Inequalities in wages and positions (employment opportunities/ the ability to move up in the company)**
4. Explain how microloans support women in developing countries. **Microloans are given to individuals inside a country, not the country itself. This allows people to establish small business, get supplies they need to succeed. These loans provide opportunities for women that were not there before, and allow them to become financially independent.**
5. Which countries in the world traditionally have less gender inequality and which countries have more? **Countries that are more developed, the core countries, see less gender inequality compared to less developed countries, the periphery countries.**

## Topic 7.5- Theories of Development

1. Complete the table below.

Rostow's Model of Development	
	Description
Traditional society	Society uses primarily subsistence agriculture, productivity is low, the majority of the workforce is in the primary sector.
Preconditions for takeoff	Society starts to see a demand from outside states for raw materials. This new demand creates change in the political and economic climate. New opportunities are created, starting a shift for society from the primary sector to the secondary sector.
Takeoff	Urbanization starts to occur as the secondary sector starts to take off. New technology is introduced into society, allowing for more production. Society continues to sell resources on the world market. (Resources might be exploited)
Drive to maturity	Society starts to see specialization, global trade, and a diverse economy. Society will also start to see more jobs open in the tertiary sector. Outside countries still influence the economy, but the society is becoming more independent.
Age of mass consumption	Society now produces products that no longer serve the basic needs. Majority of the jobs in society are now in the tertiary sector of the economy.

2. What similarities are there between Rostow's stages of economic growth model and the demographic transition model? Both models illustrate the transitions in agriculture, economic development, mobility within society, and standard of living.

3. Explain how Wallerstein's World System Theory Model explains global trade. Core countries (developed countries) purchase consumption goods from the semi periphery and periphery countries (less developed countries). Periphery countries provide cheap labor, and raw materials for the core countries and semi-periphery countries.

4. Which countries are in the core, semi-periphery, and periphery? Core countries are developed countries with an abundance of wealth. Semi-periphery countries that are starting to become more industrialized, but still lack an abundance of wealth. Periphery countries are poor countries that are dependent on other nations for a stabilized economy.

5. What conclusion did Wallerstein come to when creating his model? Those periphery countries will become dependent on a few core countries. The core countries will take advantage of the cheap labor and cheap raw materials and end up exploiting the periphery, thus making it hard for less developed countries to advance into the core.

6. Describe what is happening in population growth in the core, semi-periphery, and periphery. Core countries are seeing a population decline, while the semi-periphery and periphery are seeing their populations continue to rise, with the periphery countries seeing the largest population growth.

### Topic 7.5- Theories of Development (Continued)

7. Which countries are seeing the highest increase of urbanization and growth of megacities? **Semi-periphery**
8. What does the dependency theory focus on? **The relationships between core, semi-periphery, and periphery countries.**
9. Why does the dependency theory believe there is an imbalance of wealth between the different countries? **It states that underdevelopment has been created by core countries to allow exploitation. Core countries use neocolonialism to gain political and economic power over the developing world.**
10. What cycle does the dependency theory identify in global trade? **The developing world needs to sell raw materials in order to buy goods from the developed world. This promotes neocolonialism.**
11. Explain what commodity dependence is. **This is when a country's economy becomes reliant on one or two commodities.**
12. Describe what could happen if a country becomes dependent on one or two commodities. **The market for those commodities could fluctuate, causing the local economy to crash or become unstable. The country will also see economic stagnation in other economic sectors.**
13. When comparing Wallerstien's world system theory with commodity dependence what can you notice? **Developing countries are the ones who are traditionally dependent on one or two commodities**

### Topic 7.6- Trade and the World Economy

1. What is the difference between absolute and comparative advantage? **Absolute advantage is when a country can produce more of a product compared to another country. Comparative advantage is when a country has a lower opportunity cost in the production of a product over another country.**
2. What economic reason would cause countries to trade? **To gain more goods/services and limit their opportunity cost.**
3. What is interdependence? **Two or more countries rely on one another and impact each other.**
4. Explain how neoliberal policies have impacted the global economy. **This has led to new international organizations that impact global production of goods/service. This promotes globalization.**
5. Describe how the government can influence trade/production on the following scales.

Local	<b>Governments can reduce taxes, and create business friendly policies.</b>
National	<b>Governments can use tariffs to promote protectionism and move production to the home country</b>
Global	<b>Governments around the world create supranational organizations to reduce trade barriers and promote international trade or put up barriers and reduce trade with countries.</b>

6. Complete the table below.

	Description
European Union	<b>A political/economic union of states that promote peace and a unified economic system</b>
World Trade Organization	<b>A global organization that oversees global trade between nations</b>
Mercosur	<b>The South American trade bloc. It promotes free trade between member countries.</b>
OPEC	<b>A coordinated group of countries that seek to unify their petroleum policies</b>
NAFTA/ USMCA	<b>NAFTA which promoted free trade between the United States, Canada, and Mexico has now been changed to the NAALC. Which promotes improved labor standards for each country</b>

**Topic 7.6- Trade and the World Economy (Continued)**

- 7. What is the role of the International Monetary Fund? **To promote global economic growth, a stable global economy, trade between countries, and reduce global poverty..**
- 8. How does a country's debt create interdependence between countries? **In order to get loans countries borrow money from their own citizens and other countries. This debt makes countries become interdependent. Countries benefit from the loans, and the country giving the loans benefits from the other country succeeding.**
- 9. What is a supply chain? **A company's network between suppliers, producers, distributors, and buyers.**
- 10. What are two positive economic consequences to globalization? **More goods/services, cheaper goods/services, diffusion of cultures and products.**
- 11. What are two negative economic consequences to globalization? **Offshoring of local jobs, countries may take advantage of loose labor laws, poor environmental standards.**

**Topic 7.7- Changes as a Result of the World Economy**

- 1. Explain how globalization has impacted local economies. **Increased diffusion of cultures, food, products, and ideas. This leads to new businesses to open in different parts of the world. However, we can also see offshoring of local jobs, as businesses move to areas of the world that will lower their production costs.**
- 2. How does globalization impact the local economy of core countries compared to periphery countries? **Core countries get more goods/services while also seeing prices go down. Periphery countries see an increase in wealth coming into the country. However, workers do not see a significant uptick in wealth. This is due to poor labor laws and lack of benefits for workers.**
- 3. How has the modern economy been impacted by post-Fordist methods of production? **Supply chains are now spread out around large geographic areas. This has allowed for companies to produce more goods at a cheaper rate. But this also opens the supply chains up to more external risks. Workers under the post-Fordist methods work at a pace set by a computer, and have to compete with workers across the globe.**
- 4. Under the Fordist Model of production, all components of a product were made and assembled at a single site. Today, under post-Fordist methods components are made all over the world. How has outsourcing led to the rise in just-in-time delivery and the emergence of the service sector? **Companies contract with suppliers for parts that are made where cost is lowest, deliver parts so they don't have to be held in a warehouse, and track all components using high technology in the service sector.**
- 5. Complete the table below.

	Define
Just-in-time delivery	<b>Companies ship parts or materials they need for production to arrive at the factory on the day they are needed, instead of storing all of the materials at the factory</b>
Agglomeration	<b>Companies with similar products or interests cluster together to reduce costs and promote economic gains</b>
Growth poles	<b>Concentration of technically advanced industries that stimulate economic development in businesses that are connected to the industries</b>

- 6. Explain why agglomeration happens and how globalization could lead to deagglomeration. **Businesses cluster with one another when it is in their best interest to do so, often this helps reduce costs or increase sales. Globalization could offer new geographic areas to produce and sell products causing companies to close down original factories or stores in favor of other markets.**

### Topic 7.7- Changes as a Result of the World Economy (Continued)

7. Explain what the multiplier effect is and how it impacts the economy. **When money is added to an economy it has a ripple effect that creates more wealth. If a business in a core country invests in a company in a periphery country, that company can now hire more people, those workers get paid, they spend their new wages, which gives money to other companies, allowing more growth.**

8. When core countries' manufacturers move production facilities to other nations, what does that do to the workforce and price of products? **Core countries lose manufacturing jobs and transition the economy to more service based jobs, the prices of products also go down.**

9. Complete the table below.

	Define
Special economic zone	<b>An area where the laws for trade and business are different from the rest of the country</b>
Free-trade zone	<b>An area where goods can be stored, manufactured, or handled without paying extra fees</b>
Export processing zone	<b>An area that promotes economic growth, by offering incentives to foreign entities (such as tax exemptions)</b>

10. Why has the creation of special economic zones, free-trade zones and export processing zones attracted foreign investment from core countries? **Lower wages in developing countries**

### Topic 7.8- Sustainable Development

1. What is sustainable development? **The ability for society to meet their current needs while also not compromising the needs of future generations to meet their own needs.**

2. Describe ecotourism. **A form of tourism that is sustainable and environmentally friendly. It supports both the local environment and local people by allowing the local population to control the tourism.**

3. How does ecotourism impact a society? **It helps protect local environments, builds awareness of cultures, provides economic opportunities for local communities, and recognizes the rights of indigenous populations.**

4. What are the UN's sustainable development goals? **No poverty, zero hunger, good health and well-being, quality education, gender equality, clean water and sanitation, affordable and clean energy, decent work and economic growth, industry innovation and infrastructure, reduced inequalities, sustainable cities and communities, responsible consumption and production, climate action, life below water, life on land, peace justice and strong institutions, partnerships for the goals.**

5. Explain what would happen to the standard of living in a country if they strived to achieve the UN's sustainable development goals. **The standard of living would increase as would the amount of equality, economic opportunities, and opportunities for citizens.**