

CHAPTER 9 = ECONOMIC INEQUALITY

(1) developed countries

(2) quickly developing countries

(3) slowly developing countries

① developed countries = they are located in the northern hemisphere also include Australia and New Zealand. economies of these countries are very strong so the countries are well developed and wealthy. these countries are also heavily industrialised. most of the workforce is employed in the secondary and tertiary sector. characteristics of developed countries include good healthcare, a high standard of education and a high quality infrastructure. Most in the tertiary sector (services) countries examples Ireland, Germany, EU countries, North America, Australia. good education/infrastructure/services/market

② Quickly developing countries = economies of these countries are known as tiger economies. industrialization is occurring rapidly here due to increased employment in the secondary sector. the focus in these countries is mainly on exporting goods, and wages are increasing slowly. this increased wealth has led to an improvement in the standard of living. examples of quickly developing countries (1) Brazil (2) India (3) Russia (4) China (5) Mexico. huge investment in infrastructure and education.

③ Slowly developing countries = these countries once referred to as third world countries. most are situated in southern hemisphere, the economies of these countries are over reliant on primary sector activities such as farming and they have little or no involvement in manufacturing or services. these countries tend to be affected by famine, war and high birth rates. examples of slowly developing countries = (1) Sudan (2) Ethiopia (3) Mali. few services, wars and civil wars, very little tourism.

Gross National Product (GNP)

-this figure is found by calculating the total value of goods produced and services provided in a country along with the total amounts of exports. the higher the GNP figure the more developed that country and its economy are.

Reasons for Inequality

Why are slowly developing countries so poor?

① Trade-Unfair trade

There is unfair trade. the developed world buys the raw materials from the slowly developing countries for eg coffee beans and they process them in the developed world in the

② Colonisation (when one country takes another country)

In the past many African countries were colonised by European countries and many of their valuable raw material

③ Debt and corruption

In the past slowly developing countries borrowed money from developed countries now they must pay back that money with interest. Should instead

<p>secretary sector jobs in the developed world.the developed world profits.the prices that slowly developing countries get for the raw material fluctuate meaning that they go up and down and change all the time meaning that farmers cannot plan for their future.if slowly developing countries do process their raw material then the developed countries put tariffs on them.the farmers don't get the fair price for it.</p>	<p>(gold/timber)there then is no money and they are poor as the raw material are nonrenewable when they get their independence civil war breaks out(divide and conquer).Europeans divided africa mainly using straight into boundaries you get poor because infrastructure gets destroyed and people get injured.now even tho there independent they still only trade with their trading power.</p>	<p>be invested in infrastructure like buildings ,roads many of the leaders of slowly developing countries are very corrupt and still there are dictators.leaders kept a lot of money for themselves/families.the locates never benefited from the borrowed money.</p>
--	---	---

The effects of colonisation in Ireland

(1)They cleared forests for the benefits of the industrial revolution in Britain.The wood was used to produce energy in large steel factories in Britain.Ireland exported farm produce to Britain at a low price.this continued during the Great Famine even though millions of irish people died or emigrated because of starvations.

(2)the plantations during the 1500s and 1600s when english or scottish settlers took over irish land meant that native irish people lost their lands and had to work as labourers on their own farms.

(3)There was little or no secondary industry in Ireland during British rule.This stopped Ireland's economic development.

Effects of trade=Coffee production

Coffee is a worldwide commodity. This means that it is a raw material that is bought and sold on World markets. Coffee is produced by processing coffee beans. These coffee beans grow in many developing countries such as Uganda, Kenya and the Ivory Coast. Next to oil, coffee is the most important commodity traded in the world. Over 20 million people are employed in the coffee industry.

How coffee is grown

(1)Plantations

Coffee plantations are large areas of land where coffee beans are produced; they are often owned by foreign companies who pay very low wages to the workers.

(2)local forms

In some countries local farmers also produce coffee beans as a cash crop. A cash crop is an agricultural crop that is sold for profit. This means that the farmer receives money for the product rather than using it to feed his or family.

Exploitation of coffee-producing nations

<p><u>(1)price</u> Large profits are made from the production of coffee. Companies pay very little to farmers for their coffee beans. Then they process these beans into coffee in their own countries and sell it at a large profit. Therefore the farmers don't get a fair price for their product.</p>	<p><u>(2)protectionism</u> Developed countries look after their own needs and profits. They put high taxes on the importation of processed coffee. This makes it difficult for developing countries to make a profit from processing the coffee themselves. Developed countries often use other methods to make it difficult too for eg when Brazil started to process its own coffee the USA threatened to stop giving them aid.</p>	<p><u>(3)Dependency</u> Some developing countries can have an over-dependence on coffee production. As a result of this over-dependency the failure of a coffee bean crop can lead to huge poverty in the country because the price of coffee fluctuates developing economics cannot budget or plan with certainty for the future. It is difficult for these countries to improve their infrastructure or invest properly in education and healthcare. The unfair coffee trade and the attitude of developed countries prevents the development of these poorer countries.</p>
---	---	--

Aid-5 types of aid

(1)Bilateral aid=is where one government gives money to another government. The money can be used for vital services such as education and healthcare and to develop the country's infrastructure.e.

(2)Multilateral aid=this is where a number of countries give money to an organisation . These organisations include the EU, the UN and the Red Cross. These organisations then distribute money to the developing countries as they see fit.

Non-government organisations=are organisations that work and provide aid for developing nations on a voluntary basis. Irish examples of NGOs are concern, trócaire and goal. Example of an international NGO is Oxfam.

Types of Aid

(1)Emergency aid

This is aid in the form of food, water, medicines and basic supplies given following a natural disaster such as an earthquake or famine. Emergency aid can also be given in times of war

(2)development aid

This type of aid provides help over a long period of time. It focuses on the development of healthcare, education and infrastructure in a country

(3)Tied Aid

This type of aid comes with conditions.it may mean the poorer developing country will have to purchase certain products from the richer developed country in order to receive aid.These products can include weapons and ammunition.This type of aid is not always good for a developing country.

Aid

<p><u>Positives</u> (1)times of natural disaster emergency aid is vital (2)healthcare and education improve drastically when development aid is given and the money is spent in the right way. (3)Relationships can be forged between two countries creating better links and improvements within the poorer country (4)NGOS can help up-skill local people and this can lead to communities helping themselves.</p>	<p><u>Negatives</u> (1)countries can become very dependant on aid,this could result in countries not developing themselves (2)corruption can lead to aid being stolen and not reaching its intentional target. (3)Tied aid could result in the richer developed country benefiting rather than the poorer developing country. (4)Aid can lead to huge amounts of money being spent on arms and weapons.this in turn can lead to wars.</p>
---	--

Ireland's Aid Programme

-Ireland's provides aid in different forms to developing nations across the world.it provides bilateral,multilateral and emergency aid when needed.The irish government spends a certain amount of its budget each year providing aid.Irish Aid is the Irish Government's programme for overseas development.

Bilateral aid

Irish Aid's work in Ethiopia

Irish bilateral aid to ethiopia in 2013= 26 million euro the population of ethiopia is 85 million

Ethiopia is one the poorest countries in the world.ireland aid has been working with Ethiopia since 1994.when embassy was established there.

irish aid focuses on five main areas which it sees as important for development of ethiopia.These are food security,health,education,HIVS/AIDS and governance.

(1) food security

The population of Ethiopia depends heavily on agriculture for survival. However, the climate of the country is harsh and droughts are common. If drought leads to crop failure, then millions of people face starvation. Irish aid works with other organisations to provide a work for food programme. This allows people to exchange their labour for food or wages. It is estimated that between 5 and 7 million people avoid starvation because of this programme. Irish aid also supports organisations such as the International Potato Centre (CIP) in their work to provide a more sustainable food supply for the country.

(2) Health and Education

Irish aid spent 16 million supporting the construction of health centres providing vaccinations purchasing essential drugs and school supplies as well as constructing water piped and wells. Through Irish aid Ireland provides support for 30,000 healthcare workers who provide education and assistance to ensure that babies are delivered safely.

(3) HIVS/AIDS=

It is estimated that 2 million people live with HIVS/AIDS in Ethiopia. To help tackle this epidemic Irish aid supports NGOs and local health providers with their work against HIVS/AIDS. 14% of Irish aid budget is spent in that area.

(4) governance

6% of Irish aid budget to Ethiopia is spent on governance issues such as reforming the system of government and supporting NGOs that work in the area of human rights. This means that Irish aid makes sure money reaches its proper target and that corruption is tackled effectively when and wherever it occurs.

Multilateral aid

Ireland also gives money for aid to the UN and the EU on a yearly basis. In 2010, Ireland gave 95.4 million euro to the UN and 23 million to the EU. This money was used by these institutions in their aid programmes.

Emergency aid

In 2011 Ireland provided aid to the Philippines when it was hit by devastating floods. Irish Aid paid for a shipment of tents and blankets for over 350,000 people who were left homeless by the disaster.

Ireland's non-government organisations (NGOS)

Ireland has many NGOs many of which are supported by Irish aid, that contributes aid to poorer developing countries. These organisations don't give money directly to the governments of developing countries. Instead they educate people in local communities so that in the future they will be able to provide for their own needs. Examples include Trocaire, Concern, Bothar and Goal.

Obstacles to economic growth

-factors affecting economic development (1) climatic change (2) war and conflict (3) population growth

Country i've studied

Sierra Leone

<p><u>(1)climatic change</u> In Africa, lack of rainfall can lead to dire conditions. long periods of droughts in some regions have led to desertification. I.e. the spreading of the desert. this means that the soil has been overused and its becoming infertile. in sierra leone, the overuse of resources by human activity has led to an unproductive agricultural sector. the tropical climate brings long, dry summers resulting in drought. Animals die and crops fail, leading to famine, hunger and the deaths of thousands of people.</p>	<p><u>(2)War and Conflict</u> War and conflict in sierra leone has also prevent economic development. vast sums of government money is being spent on weapons. this leaves very little for vital services such as education and healthcare. a bitter civil war that has lasted for 11 years resulted in 67% of children not attending school. instead these children were made to fight as child soldiers. over 1,500 schools were destroyed during the conflict. this made it very difficult for the country to recover and grow.</p>	<p><u>(3)population growth</u> =the population of sierra leone is 5.2 million. birth rates are very high there standing at 38,1 per 1,000. the status of women is low and the majority are uneducated. children are seen as an economic benefit to a family as they are needed to look after their parents when they grow old. this rapidly rising population puts a huge strain on the country's already limited resources. at 38 years of age, life expectancy is one of the lowest in the world.</p>
---	--	---

Economic inequality=ireland and Europe

2 regions-ireland

<p><i><u>South and east</u></i></p>	<p><i><u>NWR(northern and western region)</u></i></p>
<p><u>population</u>=high population density. high immigrant levels. 3 million people. 70 % of population</p> <p><u>Landscape and relief</u>=mainly lowland areas. mild climate and good fertile soils.</p> <p><u>infrastructure</u>=well developed road network (motorways, train stations, ports). dublin, shannon, cork airports. ideal for attracting industry.</p> <p><u>Economic activity</u>=95% work in the service or secondary industries. high income levels. high standard of living .great variety of services.</p>	<p><u>population</u>=low population density There are high emmigration levels .1 million people. 30% of the population .low marriage rates and low birth rates.</p> <p><u>Landscape and relief</u>=high mountainous region. mainly covered in blanket bogland. heavily leached soils.</p> <p><u>infrastructure</u>=poor road network. one major airport in Knock, co. mayo. One motorway link from Galway to Dublin. Galway the focus of the region.</p> <p><u>Economic activity</u>= 25% of farms practise</p>

	subsistence agriculture and are unproductive.many part time farmers.low levels of services such as hospitals. Unattractive for industry.
--	---

One european country that also suffers from an economic divide is italy-europe

	<u>North of italy</u>	<u>South of italy(the mezzogiorno)</u>
<u>population</u>	There is a high population density in large urban centres such as milan,turin and genoa.there are high levels of in-migration	Large levels of out-migration.young educated people leaving.low population density.aging population.
<u>Landscape and relief</u>	Low-lying land in the northern plains.very fertile soils.fertile floodplains of the River po.very productive and profitable cereal farming industry.	85% mountainous (apennines).poor soils known as terra rossa.mediterian climate.summer drought
<u>infrastructure</u>	Good road networks,rail networks.several major airports.good access to markets.	Poor infrastructure.autostrada (motorway) was built linking the north to the south.
<u>Economic activity</u>	Highly industrialized region.good supply of HEP.low unemployment in the industrial triangle of Mllan,Turin and genoa.high standard of living.good supply of services.	High levels of unemployment.low standards of living.subsistence farming.cash crops such as citrus fruits.tourism.

How to solve inequality/solutions to economic inequality

(1)Fairtrade

People in the developing world must receive a fair price for their produce and exploitation shouldn't be allowed to take place. Taxes on goods imported should be abolished or atleast lowered.the farmers could then invest the extra money they get for the machines ,irrigations schemes,machines etc.

(2)Debt

The loans given to the developing countries must be cleared as these loans come with high interests rates many countries cannot afford the repayments.with debt cancellation the countries can use this money for investment in health,education and infrastructure and slowly get out of being poor.

(3)aid

Aid could solve economic inequality.aid must be focused on education so that communities can become self-reliant.the use of the tied aid must cease as it allows the exploitation of developing countries.

Exam papers solutions

Name and explain one type of aid given by the irish government

One type of aid given by the irish government is bilateral aid. bilateral aid that is where one government gives money to another government. The money can be used for vital services such as education , food security and healthcare and to develop the country's infrastructure.

State one positive and negative impact of giving aid to developing countries

Positive

healthcare and education improve drastically when development aid is given and the money is spent in the right way.

Negative

countries can become very dependant on aid, this could result in countries not developing themselves

Name and explain one potential solution to economic inequality

fairtrade=

People in the developing world must receive a fair price for their produce and exploitation shouldn't be allowed to take place. Taxes on goods imported should be abolished or atleast lowered. the farmers could then invest the extra money they get for the machines , irrigations schemes etc.