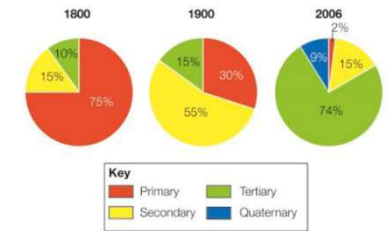


# The UK's changing economy



## Employment sectors

Name of sector	Definition and example:	How has it changed?
Primary sector	Employment in extraction of raw materials e.g., fishing, farming, mining.	Primary employment has decreased from 75% in 1800 to 2% in 2006.
Secondary sector	Talking the raw materials and process them into manufactured goods and products e.g., factory work.	This has increased from 15% to 55% between 1800 and 1900, and then decreased back to 15% in 2006.
Tertiary sector	The providing of services and skills e.g., doctors, real estate.	This has increased from 10% in 1800 to 74% in 2006.
Quaternary sector	Providing information services such as computing, ICT and Research and Development	This has developed from 0% in 1800 and 1900 to 9% in 2006.

## Causes of economic change

- De-industrialisation:** the decline in traditional industries, such as manufacturing. This has happened because:
  - Machines and technology have replaced many people
  - Other countries (e.g. China) can produce cheaper goods because labour is less expensive
- Globalisation:** the growth and spread of ideas around the world:
  - Many people now work on global brands in the quaternary sector, e.g. in IT
  - Increased world trade and cheaper imported products have contributed to the decline in UK manufacturing
- Government policies:** is a plan or course of action decided by a government to manage issues in a country. This has also resulted in a change in the types of jobs people do in the UK. For example:
  - The UK Government in the 1970s and 1980s sold or turned many of its secondary and primary industries to companies in a process called **privatisation**. This cost many jobs in steel making and coal in particular.
  - Many UK governments have invested in “knowledge economy” rather than primary or secondary industries
  - Privatisation** is when governments sell state-owned businesses/industries, turning them instead into companies, it has cost many jobs in steel making, however, it also made lots of money for the UK government, meaning that it could invest more in the tertiary and quaternary sector.

## Globalisation impacts

Positives	Negatives
<b>Cheaper goods and services:</b> many items are cheaper because they are produced in places where wages are low	<b>Inequality:</b> the gap between the low paid unskilled work and high paid skilled work is increasing
<b>High value production:</b> UK specialises in high-value manufacturing. Workers are better paid, and UK earns more.	<b>Outsourcing jobs:</b> jobs that used to be done in the UK can be done elsewhere, loss of jobs
<b>Economic growth:</b> due to more trade with rest of world.	<b>Migration:</b> migrants come to fill jobs
<b>Foreign investment:</b> bringing new ideas, technology, and jobs	<b>Less manufacturing:</b> fewer goods produced in UK

## Research – British Antarctic Survey

The **British Antarctic Survey (BAS)** employs over 500 highly skilled people in Cambridge, Antarctica, and Arctic. It is linked to the Cambridge Uni and helps us understand the impact of humans on natural systems (ocean acidification)

## UK science and business parks

A **science park** is a group of scientific and technical knowledge-based businesses located on a single site.  
 A **business park** is an area of land occupied by a cluster of businesses. Business parks are usually located on the edges of towns where: land is cheaper and more available, access is better with less congestion, businesses can benefit from working together.

### University of Southampton Science Park

This includes one hundred small science and innovation businesses including Fibrecore (manufacturer of optical fibres) and PhotonStar (specialising in lighting products).

- ✓ Excellent transport links – close to M3, Southampton international airport and rail links.
- ✓ Excellent links with the university, providing research facilities and employing skilled graduates
- ✓ Attractive location with green areas and woodlands
- ✓ Intensive levels of support to new ventures via their **Catalyst Programme**, which equips business leaders with flexible leases and access to grants, funding and investment, enabling them to quickly scale up.

### Glenmore Business Park in Chichester

This is in the east side of Chichester, adjacent to the A27. The businesses located here include Flip Out, Direct Coffee Pods, World of Books, Cathedral Signs.

- ✓ Businesses locate there → attracts other businesses to locate there → provides employment for people close to the park → increases disposable income → improving economy of local area
- ✓ Close to main road for transporting goods to other cities
- ✓ It is close to the town for work force, but also the market for the goods or use of services in the business park

### Why has there been growth of science parks?

- they help to support new and growing businesses through research and new ideas
- many of the firms located in science parks are connected with information, high-technology, and electronic industries
- the growth in demand for new products such as mobile phones means that new technology needs to be developed, which builds on research in science parks
- they have grown in the UK because of the high reputation of some university science research departments

## Post-industrial economy

A **post-industrial economy** is where manufacturing industry declines and is replaced by growth in the service and quaternary sectors. This happened in UK from 1970s.

Examples	Development	How has this affected the UK economy?
Information technology	Software developer	<ul style="list-style-type: none"> <li>Internet enables people to communicate instantly</li> <li>Many people can access the internet using phones</li> <li>Computers allow large amounts of data to be accessed</li> </ul>
Service and finance	Doctors, real estate	<ul style="list-style-type: none"> <li>GDP % of sector changed from 46% in 1948 to 79%</li> <li>UK is leading centre for financial services</li> </ul>
Research	Pharmaceutical research	<ul style="list-style-type: none"> <li>This will be one of the UK's main growth areas</li> <li>Research done by British universities</li> </ul>

## Impacts of industry on the physical environment

- Manufacturing plants can look dull and affect the visual effect of the landscape
- Industrial processes and waste products can cause air, water and soil pollution
- The transport of raw materials and manufacturing products increases air pollution

### How can industrial development be more sustainable?

- Care in design can reduce the visual impact
- **Technology** can be used to reduce emissions
- **Desulphurisation** can remove harmful gases
- **Heavy fines** can be imposed when pollution incidents occur
- **Strict Environmental targets** set targets on water/air quality and habitats

## Changing rural landscapes in the UK

	West Sussex – population growth	Outer Hebrides – population decline
<b>Changes</b>	<ul style="list-style-type: none"> <li>Population size is 800,000 and there has been an 8% increase in population</li> <li>Migration into the area due to counter-urbanisation population moving out of London</li> </ul>	<ul style="list-style-type: none"> <li>Population size 27,400</li> <li>Declined by more than 50% since 1901</li> <li>Limited employment has meant that young people moved away</li> </ul>
<b>Social effects</b>	<ul style="list-style-type: none"> <li>Conflicts between locals and people moving in from urban areas</li> <li>Congestion and pollution, Lack of public transport</li> <li>Loss of community spirit</li> <li>Young can't afford homes</li> </ul>	<ul style="list-style-type: none"> <li>Expected fall in the number of children may result in school closures</li> <li>Increasingly aging population has fewer young people to support them</li> <li>Loss of services</li> </ul>
<b>Economic effects</b>	<ul style="list-style-type: none"> <li>Lack of affordable housing, making it too expensive for young people to buy houses there,</li> <li>Reduction in agricultural land</li> <li>Gentrification, families renovating houses, increasing house value, but displacing poorer locals</li> <li>Commuters continue to use services elsewhere in the places where they work</li> </ul>	<ul style="list-style-type: none"> <li>Services are closing, farms can only provide work for 2 days a week</li> <li>Infrastructure cannot support scale of tourism needed to provide an alternative source of income</li> </ul>

## Rolls Royce (CASE STUDY)

Method	Advantages	How this reduces the impact on the physical environment
8-acre curved living roof (largest in the UK) is home to hardy sedum plants	<ul style="list-style-type: none"> <li>→ Reduces rainwater runoff</li> <li>→ Improves buildings insulation</li> <li>→ Effective camouflage</li> </ul>	<ul style="list-style-type: none"> <li>→ Reduced flood risk, protects nearby habitats</li> <li>→ Lower energy consumption → reduced ff emissions → reduced rate of climate change</li> <li>→ Does not obstruct natural environment and is not visually polluting</li> </ul>
Over 60% of waste is recycled	<ul style="list-style-type: none"> <li>→ No problem with waste disposal</li> <li>→ Conserving resources</li> </ul>	<ul style="list-style-type: none"> <li>→ Reduced landfill and pollution → less plastics and wastes entering oceans</li> <li>→ Reduces ff emissions since less products made</li> </ul>
Across the 42-acre site there are over 400,000 plants (over 120 species)	<ul style="list-style-type: none"> <li>→ Attracts wildlife to the site</li> <li>→ Trees are carbon sinks</li> </ul>	<ul style="list-style-type: none"> <li>→ Increases area's biodiversity and provides habitat for animals</li> <li>→ Reduces carbon dioxide concentration in air → slows rate of climate change</li> </ul>

**The north-south divide** (This is the real/imagined cultural and economic differences between the south of England and the rest of the UK.)

- the south has **higher incomes** and **longer life expectancy**
  - it also has **higher house prices** and more **traffic congestion**
- Why?** During the Industrial Revolution, heavy industry and engineering thrived in the North of England. In the 1970's, industries declined, and unemployment increased. London and southeast developed rapidly due to growth in the service sector. This led to higher house prices.

## Changing transport infrastructure

	Road – Southwest 'Superhighway'	Railway – HS2	Airport - 3rd Runway at Heathrow	Port – Liverpool2
Improvement	£2 billion road widening project Converting route to dual carriageway to Exeter and beyond 3km tunnel beneath Stonehenge	New high-speed railway linking the north and south, including eight of Britain's 10 largest cities, connecting around 30 million people.	An £18.6 billion project to introduce a 3 <sup>rd</sup> Runway to Heathrow, thereby increasing its capacity. Extra 700 planes a day.	Creating a new deep-water port to increase capacity, costs £300 million, can deal with 1.5 million containers a year (double previous capacity)
National benefits	<p>ease congestion during holidays → increase visitor numbers → increased income from tourists</p> <p>ease congestion → less time wasted commuting → improved productivity of workers → greater profits</p>	<p>Generate 22,000 construction jobs and once the entire line is running create 100,000 jobs. → local areas benefit from increased employment → local tax revenues increase</p> <p>2,200 businesses delivered works, 70% of which are SMEs and 97% are based in the UK → businesses in the UK grow → greater home market → increased profits and economic growth</p> <p>better transport links between our cities → increased tourism and trade → increased revenues from tourism → stimulates economic growth</p>	<p>Increase tourism to the UK, increase airfreight to and from the UK → increase trades → economic growth.</p> <p>More jobs created e.g. in construction, piloting planes, maintenance</p> <p><b>People living nearby are concerned about the noise and air pollution from planes. Also increases greenhouse gas emissions.</b></p>	<p>Creates thousands of jobs in the north-west → reduces north-south divide</p> <p>Better trade links → attracts TNCs to locate nearby → creates employment (multiplier effect) → boosts regional economy</p> <p>Increased capacity → reduces the amount of freight traffic on the roads → less congestion → less time wasted commuting → improved productivity of workers → greater profits</p>

## How can regional strategies address this issue?

- Transport Improvements:**
  - **Liverpool2** creates better trading links within the north (and between the north and south), which attracts TNCs and other businesses. It also creates thousands of jobs, increasing tax revenues and therefore stimulating economic growth. Boosts the regional economy with direct and indirect jobs and thus support business in an area that has experienced severe job losses.
  - **HS2** High speed rail connecting London to Birmingham and eventually Leeds, Sheffield and Manchester – reducing travel time and thereby improving business links, reducing the need for businesses to be based in London, and bringing economic benefits to the north that has suffered the most from de-industrialisation. The rail link could act as a way of growing industries in the North. The government expects 70% of jobs created to be outside London. **Significantly over-budget possibly to be cancelled, and many question benefits it will bring to north.**
- Local Enterprise partnerships (LEPs):** These are partnerships between local authorities and businesses – identify needs and encourage companies to invest in order to boost the local economy and create jobs.
  - E.g. Lancashire LEP will:
    - Promote businesses (aerospace) and create 50,000 new jobs by 2023
    - Extend superfast broadband across 97% of the region
    - Create 6000 high-skilled jobs in Enterprise Zones, 4 successful universities
    - Generates a total of £27.7 billion
- Enterprise Zones:** 24 new enterprise zones have been created in the UK, they encourage the establishment of new businesses and new jobs in areas where there are no pre-existing businesses.
  - Providing a business rate discount
  - Ensuring the provision of superfast broadband
  - Creating simpler planning regulations
- Northern Powerhouse:** It is the government's plan to reduce the inequality between the north and south by attracting investment and promised improvements for rail infrastructure in particular which should promote business growth and thereby create and sustain employment. The plan includes working to extend the coverage of superfast broadband and spending £70 million on improving schools.
 

**Critics have also pointed out that it focuses on Manchester and other big cities but ignores smaller towns**

## The UK in the wider world

Trade	Transport	Electronic communication	Culture
<ul style="list-style-type: none"> <li>• The UK's most important trading links are with the EU.</li> <li>• The USA is an important historic trading partner</li> <li>• There has been a recent increase in trade with China</li> </ul>	<ul style="list-style-type: none"> <li>• London Heathrow is one of the busiest airports in the world</li> <li>• There are important transport links between the UK and mainland Europe via the Channel Tunnel and ferries</li> </ul>	<ul style="list-style-type: none"> <li>• 99% of internet traffic passes along a network of submarine high-power cables</li> <li>• Connections are concentrated between the UK and USA</li> <li>• There is further concentration in the Far East</li> <li>• A project known as Arctic Fibre is due to connect London and Tokyo</li> </ul>	<ul style="list-style-type: none"> <li>• The global importance of the English language has given the UK strong cultural links with many parts of the world.</li> <li>• Music, books and films from the UK are accessed all over the world.</li> <li>• Migrants have brought their own culture to the UK, such as food and festivals.</li> <li>• E.g. Shaun the Sheep TV series is shown in 170 countries</li> </ul>

## The Commonwealth

It is an association of 53 states, including the UK and many of its former colonies. It promotes co-operation between member countries. e.g. South Africa, India, Canada, Australia, Guyana

- The commonwealth Secretariat provides advice and support to member countries on a range of issues including human rights and social and economic development.
- There are important trading and cultural links between the UK and the Commonwealth countries. There are also sporting connection such as Commonwealth Games.

## EU – European Union

It began as a small trading group of industrial countries in Europe. It now has 27 members and can exert political influence over its members.

- **Financial support** for farmers and disadvantaged regions
- There are EU laws and controls on crime, pollution and consumers' rights
- Goods, services, capital and labour can move between member states.
- **Low prices of goods:** there is a 'Single Market' for all member countries, products are low priced and there is no custom tax charges on goods.
- **Citizens are free to move from one member country to another:** they can freely travel, study or work in any EU country
- **Workers are protected:** through European Working Time Directive (includes regulations like holidays, working hours and breaks)
- **High unemployment and low wages in poorer EU countries - particularly in Eastern Europe - may lead to mass migration of workers to the UK. In 2013 over 200,000 immigrants (about 40% of total UK immigrants) came to the UK from the EU.**
- **The UK may have to support poorer member countries by paying more money to the EU.**
- **There are EU laws and controls on crime, pollution and consumer's rights. These rules can be restrictive for individuals and companies within the UK.**