

# Unit 2 People and the Planet

## Topic 5 The changing economy of the UK

1. Important vocabulary to learn and use in his topic.

**Primary Industry** = The extraction of raw materials from the land or sea e.g. Fishing, farming, quarrying, mining.

**Secondary Industry** = Manufacturing, where raw materials are converted into a finished product e.g. house building, car making, steel processing, food processing.

**Tertiary industry** = or services. There is a wide range of service industries associated with manufacturing (e.g. distribution, retailing) and people (education, nursing)

**Quaternary Industry** = Provide information and expert help. They are often associated with creative or knowledge based industries especially IT, biosciences, media etc.

**Knowledge economy**= an economy based on knowledge and mental skills

**Biotechnology**= applies science to global problems

**Household income**= is the total earned by everyone in a household, after paying tax

**Diversification**= means creating varied industries and economic activities. Then, if one fails, it won't affect the others (as happened in Glasgow)

**Brownfield site**= is an area of land that has been built on before and is suitable for redevelopment.

**Greenfield site**= is an area of land that has not previously been built on.

**Freelancing** = taking on a single job without any commitment to further work once it's finished

2. Changes in employment sector by number of workers.  
Use page 219 to complete the table below.

Sector	1980 Number in millions	20210	% Change
Primary	0.89	0.49	Down 45%
Secondary	8.8	5	Down 43%
Tertiary	17.6	26	Up 48%

3. The car industry as an example of secondary industry changes Page 218.

**Ford in Dagenham East London**

**Number of workers in 1960** = 20 000

**Size of factory compared to other ford factories** = Largest outside USA

**Type of work** = Skilled, well paid

**Number of workers in 2014** = 3000

**Where Ford cars are produced today** = Europe

**Reason for location of production**= Lower costs

**Impact on surrounding area**=Less jobs for young people/training on the job apprenticeship

4. UK Car Industry. Secondary Industry. General Trends.

**Use page 218 to answer the questions below**

**1. Why are cars made close to where they are sold?**

They are bulky. It reduces transport costs.

**2. How many people in the UK work in car assembly?**

70 000

**3. How many people in the UK work in making car parts?**

110 000

**4. How many cars are produced in the UK compared to the 1970s?**

Same amount

**5. List the top 5 biggest car manufacturers in the UK today.**

Nissan. Jaguar land Rover. Toyota. Ford. Honda. Mini

**6. Why have the brand names changed over time?**

UK car companies have either gone out of business or been taken over by overseas companies.

**7. Why are there fewer employees even though production has remained constant?**

Car manufacturing is more automated (more machinery) and require less employees.

5. UK textiles industry. A declining secondary industry.

**Original location of textiles industry** = Lancashire

Current location of textiles industry = Asia e.g. Bangladesh, China, Vietnam

**Reasons for current location** = Globalisation. Lower wage costs. Lower material costs. Cheaper land prices. Less strict employment and environmental legislation. Manufactured products can be transported to markets (MEDCS) for sale cheaply and efficiently due to containerisation.

UK textiles industry today= The fashion industry is important in the UK for design and retailing not production. Burberry (British high end fashion label) closed a UK factory in south wales in 2007 (300 jobs lost) - production moved to China. 2009 300 jobs lost when Yorkshire factory closed.

## 6. Changes in the tertiary sector - Case study Canary Wharf east London

**Location** = Isle of Dogs, East London

**Number of workers** = 10 000

**Jobs** = Banks e.g. HSBC

Investment companies e.g. J P Morgan

**Describe what they do.**

Banks = Trade in stocks and shares.

Investment companies = Make profits by investing for individuals, . Companies and pension funds.

**The multiplier effect** =

**Aim of Canary Wharf**= in the 1980s the government planned to increase jobs in the tertiary and quaternary sectors as employment in the primary and secondary sectors was decreasing. They invested in transport infrastructure (DLR & City airport) to make Canary Wharf a good place for companies to locate.

## 7. Changes in the quaternary sector

**DEF: Knowledge economy**= Based on mental skills. Creative industries eg. Film, media and advertising. Mainly concentrated in the south east.

**DEF: Biotechnology** =Applies science to global problems e.g.. Developing new medical drugs and equipment e.g. MRI scanners and vaccinations. Industrial biotechnology eg developing biological washing powders.

**Name of 1 Biotech firm** = Johnson and Johnson, GSK. Pfizer.

Location of biotech firms = Out of town. Home counties.

Reasons for location

1. Need space for laboratories. \_\_\_\_\_

2. \_\_\_\_\_

3. \_\_\_\_\_

4. Number of employees \_\_\_\_\_



## 9. South east England and London

### Employment structure

	Primary	Secondary	Tertiary and quaternary
1996	1.4%	20%	80%
2011	.8%	15%	85%
Change	-.6%	- 5%	+ 5%

### Summary of the South east

Contribution to UK GDP = Second largest contribution after London

Type of work (public and private)= Civil service/government jobs in London. Company head quarters in London and the south east. Biotechnology firms in the home counties- 13 research laboratories. IT companies e.g. Microsoft along the M4 corridor.

Unemployment = 6.3% (UK average 8.4%)

Ports = Southampton Dover

Biotech companies=In the home counties

IT = Along the M4 corridor

## 10. Economic development on brownfield and greenfield sites

**1.DEF:** Brownfield site = An area of land that has been built on before and is suitable for redevelopment.

**2.DEF:** Greenfield site = an area of land that has not been built on before.

**3.DEF:** Derelict land/building = Empty and disused land or building.

**4.DEF:** Regeneration = When an area of land is built on to help boost the local economy and environment.

Brownfield sites case study = Fort Dunlop Birmingham

### **History**

Original Use of building = Tyre producing and storage facility.

Date opened =1916

Number of people employed =12 000

Year closed = 1980s

Reason for closure =Competition from abroad. Cheaper rubber production.

Result= A major brownfield site for development

## 11. Fort Dunlop today.

An major urban redevelopment. Housing. Hotel. Retail. Restsaurants. Business park.

### **Advantages**

1. Improved environmental quality- no derelict /damaged buildings.
2. Job creation.
3. Major development without using greenfield site.
4. Urban site with good transport links.
5. Brown field site so utilities e.g. water and sewerage already exist.

### **Disadvantages**

1. Expensive for developer to clean up industrial pollution before developing the site.
2. Using the old factory building preserves the industry heritage of the building but is expensive and difficult.

### **Solihull development of a greenfield site**

Number of homes needed in 2010 =10 500

Number of people on social housing waiting list = 10 000

### **Advantages of developing GF sites =**

1. There are no clean up costs e.g. from old industrial pollution.
2. Planners can create new developments without having to work around what is already there e.g. existing roads.

### **Disadvantages of developing GF sites =**

1. Valuable farmland is lost- 750 000 hectares were lost between 1945 and 2010.
2. Negative impact on the rural landscape- rural pollution
3. Greenfield sites have no existing roads, water or energy infrastructure, so developers pay the cost of installation.
4. Green belt (protected land) might be built on.

## 12. The environmental impacts of de industrialisation and economic diversification in Birmingham

Birmingham used to be known as the "City of a thousand trades" it was an important manufacturing centre.

### **Food processing**

Birds custard

Cadbury

### **Manufacturing**

Car industry- Longbridge used to employ 250 000 workers- produced mini

-Dunlop- tyre production and storage

### **Metal goods**

Tools- pens- jewellery-arms

Industries closed down due to globalisation and Birmingham experienced a **Cycle of decline**,

Competition from overseas companies and declining market = Industries close = People lose jobs = Less money spent in local shops and services = Increased business closure and derelict land = poor image puts off new investors = no new investment = industries close.

**Environmental impact of deindustrialisation**

### **Positive**

1. Less air pollution from industrial processes.
2. Less local air and noise pollution from delivery vehicles.
3. Reduced water pollution from liquid waste.
4. Less solid waste produced. Lower demand on landfill sites.
5. Reduced land pollution/contamination.
6. Derelict buildings can provide habitats/nesting sites for birds and bats.
7. Less water used in industrial processes.
8. Brown field sites available for redevelopment.

### **Negative**

1. Unsightly derelict buildings.
2. Vandalism and litter in/on derelict buildings.
3. Goods manufactured further away (China) create greenhouse gases in transportation.

### **Global/Local impacts of deindustrialisation**

May reduce noise and air pollution locally however goods are still being produced and transported somewhere else e.g. In RICS like China and India.

### **Diversification in Birmingham**

Due to declining manufacturing industry Birmingham diversified economically.

**DEF:** DIVERSIFICATION = Means creating varied industries and economic activities. Then if one fails, it won't affect the others.

1. Mixed developments e.g.. Fort Dunlop and Longbridge
2. Retail e.g.. The Bullring. The Mail box (old sorting office)
3. Conference/event tourism eg. National Indoor arena (tennis), International convention centre (part political conferences). National exhibition centre (Crufts)

These developments have created modern, clean and safe urban environments.

## 12. Changing Employment in the UK.

### Preindustrial

Primary sector work

Agricultural economy

### Industrialisation

1750

**Primary** - Mining for energy resources e.g. coal.

**Secondary** e.g. Manufacturing - textiles in Lancashire, ship building in the North East

### Deindustrialisation

1980s- 2000s

Decline in primary work– farming is more mechanised.

More food is imported with increasing wealth.

Decline in secondary industry due to competition from abroad/globalisation.

Increase in tertiary industries e.g. Banking and Finance - Canary Wharf-

105 000 workers

### Growth of knowledge based economy/ quaternary industries

2000s onwards

Research and development e.g. Biotechnology GSK and creative industries

e.g. Media, advertising. South East based– London and the home counties.

## 13. Future Growth areas for the UK economy

### A. The digital economy

What is it?

**Digital Economy** refers to an economy that is based on digital technologies. The digital economy is also sometimes called the *Internet Economy*, the *New Economy*, or *Web Economy*. Examples include online shopping and online education e.g. open university courses.

Importance of the digital economy

The UK has the worlds highest digital spend per person.

**Contribution to UK economy in 2011** = £100 Billion

**Contribution to UK GDP in 2015 (estimated)** = 15%

The future

1. Complete coverage of super fast broad band for the whole of the UK.
2. Improved internet security.

## New areas of growth for the digital economy

### 1. Home Internet use.

Online shopping. Paying bills. Managing heating—using a smart phone to turn on the heating before returning home.

### 2. Environmental management.

The Environment Agency can issue flood warnings online. Traffic flows in cities can be monitored and traffic light sequences changed to speed up traffic.

### 3. Health care. "Telehealth"

Diabetes patients can submit blood sugar level readings online instead of a nurse visit. Doctors can track their condition and plan treatment. This is called remote monitoring.

### 4. Education/Elearning.

Online university courses are very popular in the USA 7.5 million university students are taking at least 1 online course. BBC bitesize provides online revision materials for GCSE students. The open university in the UK offers online courses, assignments can be submitted and returned electronically. Elearning offers 24/7 education.

### 5. Teleworking

Many people work from home. They communicate with the office via email, and use skype for meetings. Working at home can save time (no commute) and workers can be more efficient with less interruption from colleagues. Richard Branson runs his Virgin companies (media, trains and Virgin Atlantic) from his home in the Caribbean. However Yahoo has banned tele working as they say the best ideas/decisions happen when colleagues have impromptu discussions in the corridor. In 2011 59% of UK employers were offering teleworking to employees.

## 13. Future Growth areas for the UK economy

### B. Education and research

A knowledge economy needs an educated workforce.

#### (i) Education

**MEDC University educated population 1995 = 20%**

**MEDC University educated workforce 2008 = 40%**

**UK average = Men 30% Women 40% - need more University (HE=Higher education) graduates**

#### (ii) Research

Research and Development (R&D) makes a large contribution to the UK economy.

UK R&D

- |                    |                       |
|--------------------|-----------------------|
| 1. Pharmaceuticals | 5. Software           |
| 2. Biotechnology   | 6. Car Industry       |
| 3. Aerospace       | 7. Telecommunications |
| 4. Defence         |                       |

## **Future Growth areas for the UK economy**

### **C. Green Employment**

The "Green" employment sector includes jobs that improve air and water quality, recycle and reduce waste and improve the environment.

Examples of green employment are

1. Secondary industries– manufacturing industry. Making products from renewable materials, or recycled goods e.g. fleece jackets from old plastic jackets.
2. Secondary industry– construction industry. Buildings that use less energy, recycle water (rainwater harvesting to flush toilets) and are built from natural materials e.g. buildings in the Olympic park London.
3. Tertiary industries e.g. Ecotourism
4. Quaternary services. e.g. Architects building green buildings.

### **14. Changing UK employment. The contribution of foreign workers to the UK workforce.**

Number of UK jobs filled by overseas workers in 2012 = 580 jobs a day

Why does the UK require foreign workers ?

1. Meet skills shortages. e.g. engineering, doctors and nurses, teachers.
2. Help balance the UK ageing population.

Why are foreign workers attractive to UK employers?

1. Young, skilled immigrants are available. Cheaper to recruit skilled workers than train them.
2. To meet skills shortages in jobs that are hard to fill e.g. Labourers, doctors and nurses.

### **Economic contribution of foreign labour**

Immigrants from Poland and the other nine countries that joined the EU in 2004 have contributed almost £5 billion more to the UK's economy than they used in benefits and public services.

## 15. Changing working practices in the UK

**DEF:** Working practice= The **way** in which people work. For example using ICT, the **hours** people work e.g. part time or full time, **where** people work e.g. the home or office.

### CHANGE 1= IT and Teleworking

Computers are used in a variety of ways in many different industries e.g. Robot production lines in car factories, by the travel agent to book your holiday flights or by a shop assistant to check if an item is in stock.

**% of workers using email = 75%**

**% of workers using word processing= 68%**

**% of workers using spreadsheets and data bases = 64%**

IT has changed **when** and **where** we work. People can work anywhere with WIFI they do not need to be at the office. This means more people work at home and whilst travelling on trains and at airports.

IT has changed **when** we work as people are available 24 hours a day during the week at weekends and during holidays due to the internet/email. Work is no longer conducted during strict working hours of 9-5.30. IT allows us to make contact with people (e.g. suppliers) around the world in different times zones using email and instant messaging. This has accelerated the process of globalisation.

### CHANGE 2= Flexible working

New technology allows employees to work more flexibly. They no longer need to work in an office 9-5.30, Monday to Friday. Changes include:-

1. Employees can work anywhere (at home/travelling/a different country) at any time.
2. Employees can work with clients anywhere in the world using email/ websites and skype. Improvements in technology have allowed Globalisation to take place.
3. Companies don't have to pay for expensive city centre office space. Employees can work anywhere there is broadband.

#### Advantages of flexible working

-Parents can work at home saving money on childcare

-Less people commuting to work reduces the "rush hour" on public transport and congestion on the roads. Less greenhouse gases are released as less people travel.

-Increased productivity—no time wasted travelling/less distractions

- Companies save money on office space and fuel/energy bills.

- Creates opportunities for part time work e.g. for elderly/parents with young children.

### **Disadvantages of flexi working**

- Employees pay increased heating and energy bills for the home as they are at home during the day.
- Some workers find self motivation difficult– productivity may fall.
- Workers are isolated and cannot share ideas with colleagues.
- Employees find it difficult to separate home and work.

### **CHANGE 3 = Self Employment**

Many workers are self employed and work as freelancers.

**DEF: Freelancing** = Taking on a single job without commitment to further work once it is finished.

Self employment is one of the fastest growing employment sectors.

Examples of jobs.

1. Secondary sector. Construction Trade e.g. Builders and plumbers.
2. Tertiary Industry. Services for example a consultant who offers training days for teachers.
3. Quaternary sector. Knowledge workers e.g. Accountants.

### **Advantages of self employment**

- Flexibility. You choose when and where you are going to work.
- Greater variety. Working in different places for different people instead of with 1 employer.
- Independence.

### **Disadvantages of self employment**

- Less security. No sick pay or benefits such as health care package.
- No workplace pension.
- There may be periods when there is no work available.

## 15. Classifying employment

There are 4 main ways to classify (group) employment/jobs.

### 1. Economic Sector

Primary e.g. farming, fishing and forestry. Secondary e.g. Manufacturing. Tertiary e.g. Retail and catering. Quaternary e.g. Biotechnology.

### 2. Skill level

E.g. Professional and managerial. Administrative and skilled. Semi skilled & unskilled.

### 3. Hours

Full time or part time

### 4. Contract

Temporary or permanent

## 16. Summary of how UK employment has changed over time

	Old economy Primary and secondary work	New economy Tertiary and quaternary work
Type of work	Mining Farming Forestry Manufacturing e.g. car industry and textiles	Retail Research and development Media Biotechnology Jobs in cities with global companies/TNCs.
Education/training	Training on the job/ apprentaships	Higher Education/University education. Jobs require a degree.
Average wages	Low for unskilled workers Higher for skilled workers.	High for professional research and development jobs. Jobs are advertised globally to get the right people. Salaries are high with annual bonuses. Low for low skilled work e.g. retail
Hours	9-5.30 Monday to Saturday 2 weeks annual holiday plus bank holidays and Christmas	More flexible working. E.g. working at home. Longer hours. Part time jobs e.g. in retail.
Temporary/Permanent	Permanent "job for life"	Many temporary jobs e.g. in seasonal employment like retail during the busy Christmas period
Gender	Male workers in manual labour e.g. faming. Male and female in manufacturing e.g.. Clothing industry	Employees in quaternary are mostly male especially in banking and biotechnology. Some service industries e.g. Teaching are female dominated. Retail female dominated.









Advantages of flexible work

Disadvantages of flexible work

---

