An example of how the growth of tourism in an LIC/NEE helps to reduce the development gap - Jamaica

Jamaica is a NEE but has suffered from slow growth, debt and high unemployment over a long period.

Tourism is one of the few growth sectors of the economy due to beautiful beaches, warm sunny climate and rich culture (e.g. Bob Marley and Reggae music)

Tourism contributes 24% of Jamaica’s GDP. Income is US$2 billion each year. This is obviously good for Jamaica but can also make it vulnerable to problems e.g. if global recession prevents people taking holidays – this will hit the Jamaican economy badly as they don’t have other industries to fall back on.

How does tourism reduce the development gap?

1. Employment – tourism is the main source of jobs in Jamaica – 200,000 mainly in the big tourist areas such as Montego Bay.

2. Jobs include those directly related to tourism such as in hotels and those indirectly related such as in shops.

3. Jobs provide income which can then be spent in other businesses. This is called the multiplier effect.

4. People learn new skills which improve their prospects of better jobs in the future. The quality of life for many has improved.

Problems – Jobs are concentrated in the tourist resorts. More remote parts of the island have less opportunities and have not seen their lives improved by tourism so much although small scale community tourism projects are starting to reach these areas. Some people learn new skills then migrate away from the island.

2. Quality of life – In the tourist areas such as Montego Bay, wealthy Jamaicans live in high quality housing with a good standard of living however, close by people live in poor quality housing with few prospects. Inequalities are large.
Examples of TNCs and their impacts on Nigeria:

1.Shell oil – A TNC that has brought both advantages and disadvantages.

It has invested huge sums of money to extract oil in the Niger Delta.

Advantages:
- Big contribution to Nigeria’s economy through paying taxes and export revenues.
- 65,000 jobs plus another 250,000 in related industries.
- 91% of shell contracts are given to Nigerian companies

Disadvantages:
- Oils spills have caused water pollution and soil degradation affecting the agriculture and fishing industries in the area.
- Militant groups frequently disrupt oil production.
- Oil theft and sabotage cost TNCs and the government dearly.

2. Unilever – an example of a TNC that has brought mainly advantages to Nigeria

Unilever is an Anglo-Dutch TNC that makes foods, rinks and products for the home.

It employs 1500 people in Nigeria.

It aims its products at the Nigerian market with the aim of improving quality of life.

It works with local people and has high standards of employment and looks after the environment. It claims that its palm oil comes from sustainable sources.

It has promoted improvements in health care, education and water supplies as part of a social responsibility programme.

Unilever is an example that shows how investment from TNCs can be positive for a host country such as Nigeria.

An example of a “GOOD” TNC.
An example of how modern industrial development can be more environmentally sustainable. Torr Quarry in Somerset

What is a quarry?
A location where stone is dug out of the ground for use in construction or industry.

How can quarrying harm the environment?
- Destroys natural habitats.
- Pollutes nearby rivers and streams.
- Leaves a visual scar on the landscape.

Torr Quarry is a limestone quarry in the Mendip Hills in Somerset.
It employs 100 people and contributes £15 million to the local economy every year.

Ways in which activities are sustainable:
- Three quarters of its output is transported by rail which is less polluting than vehicles.
- The quarry is being restored to create wildlife lakes for recreation and water supply.
- Limestone features will be created to make the landscape look natural.
- 200 acres have already been planted with trees and grass.
- There is regular monitoring of noise, vibration, dust and water quality.
- Rail transport lessens the impact of traffic on the local area.
- Operations at the quarry have been extended until 2014 through a plan to deepen the quarry. This has less impact than widening the quarry.

Overall, in the past, quarrying has been hugely damaging to the environment because of its visual impact on the landscape and habitats, however the Torr Quarry in Somerset illustrates how this industrial activity can be operated in a sustainable way with careful monitoring and restoration of habitats once the quarrying activities are finished.
Social and economic changes in rural (countryside) landscapes in the UK

1. Social and economic changes in a rural area experiencing population growth: South Cambridgeshire.

The population of 150,000 is growing due to...

- Migration into the area from Cambridge and other parts of the UK as people look for a different pace of life in the countryside.
- Many of the migrants are older seeking to retire to the countryside.

Social changes as a result of population growth:

- 80% car ownership is leading to increased traffic on narrow country roads.
- Modern developments on the edges of villages can change the community feel of villages.
- Young people cannot afford the high house prices and have to move away.

Economic changes in a rural area experiencing population growth (South Cambridgeshire)

- Many of the people moving in commute to Cambridge or London and use the shops there. This means that local village services are struggling.
- Farmers sell off land for development leading to a decline in agriculture.
- There is a lack of affordable housing.
- Petrol prices rise due to the high demand.
- The increasing numbers of migrants from Eastern Europe can put pressure on services.
- However, there is low unemployment as increasingly large numbers of highly educated and skilled people are moving into the area to work in high tech industries such as computer software.

2. Social and economic changes in a rural area experiencing population decline: The Outer Hebrides. (Scottish islands)

The population is decreasing because young people don’t want to live there any more and are moving away.

Social changes in a rural area experiencing population decline (Outer Hebrides)

- The number of school children is expected to fall over the next few years resulting in school closures.
- As many younger people move away, there will be less people of working age and an ageing population.

Economic changes in a rural area experiencing population decline (Outer Hebrides):

- Many services are closing such as ferries and post offices as there is no longer the demand to keep them open.
- Farming and fishing are in decline. By 2013 there were only a few boats left catching prawns and lobsters.
Improvements and new developments in infrastructure in the UK: Roads, rail and port and airport capacity:

Infrastructure projects provide both jobs during their construction and allow growth in more remote areas of the UK.

1. **Road Improvements:**
   - 2014 - £15billion government road investment strategy. New road schemes will create thousands of construction jobs and boost local and regional economies. Plans include:
     - 100 new road schemes by 2020.
     - Extra lanes added to motorways to create “smart motorways” (This has already happened on the M25 around London)
     - Improve road links between London, Birmingham and the north.

2. **Rail improvements:**

   There are plans to stimulate economic growth in the north by improving the rail network:
   - HS2 (High Speed 2) £50billion plan for a new high speed rail line to connect London with Birmingham and then to Sheffield, Leeds and Manchester. Due to be completed in 2033.

   **Advantages of HS2:**
   - Create 000s of jobs in the Midlands and north where deindustrialisation has led to a loss of jobs.
   - Generate £40billion for the UK economy.
   - Will increase numbers of people travelling by rail and make transport more sustainable.

   **Disadvantages of HS2:**
   - More likely to create jobs in London as it will be easier to commute there.
   - Goes through many areas of countryside and near people’s homes.
   - Arguments that existing rail services should be improved instead.

3. **Ports.**

   The UK port industry is the largest in Europe because of our coastline.

   Examples Tilbury, Dover, Felixstowe

   Example of a new port development:

   A new container port is being constructed in Liverpool called Liverpool2. Has doubled the ports capacity to deal with containers to compete with other UK ports. Liverpool2 will...
   - Create thousands of jobs.
   - Boost the economy of the north-west
   - Reduce the amount of freight traffic on the roads.
4. **Airports:**

Airports are very important to the UK economy because they create global links. They provide thousands of jobs and boost economic growth both regionally and nationally.

- 750,000 flights to 114 countries each year.
- 420,000 domestic flights (within the UK.)

Heathrow is by far the largest airport in the UK with 73.4 million passengers per year.

Heathrow may well expand with the building of a new runway by 2030.

**Pros:**

- Will help London compete with other global cities.
- Jobs created.
- Boost to UK economy of £200 billion.

**Cons:**

- Increasing CO2 emissions.
- Noise pollution worse for 1 million people close to airport.
- At least one village would have to be demolished.
- Some people argue that it would be better to expand Manchester airport as this would help stimulate economic growth in the north.