

Enclave tourism = Tourist activities are planned and kept in one small geographic area eg: Cancun, Mexico = Separate from its local community. With 150 hotels, 3 million tourists each year and \$4.36 billion to economy each year.

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| <ul style="list-style-type: none"> ✓ Keep tourist communities and the local population apart = help to limit offence ✓ A very relaxing environment | <ul style="list-style-type: none"> ✗ Enclave tourism results in very little financial benefit being directed towards the host community ✗ Lack of cultural awareness ✗ Environmental damage |
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NIKE – A MNC (Multinational Corporation)



- Nike operates in over 140 countries around the world.
- 41 of these countries manufacture Nike products.
- In 2014 Nike employed 48,000 people worldwide (20x higher if consider all the workers in factories who are outsourced).

Nike in Vietnam – Nike invested in Vietnam in 1995. Nike became Vietnam's largest foreign employer with ten factories employing 40,000 people. In 2015 employment rose to 300,000.

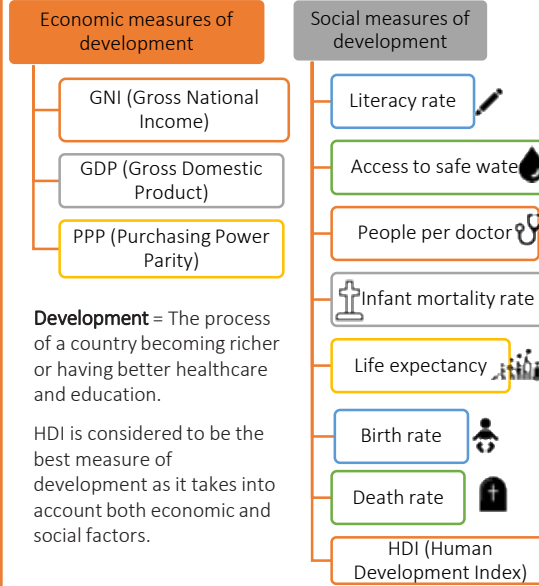
Advantages and disadvantages brought by MNC's such as Nike for Vietnam:

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|---|---|
| <ul style="list-style-type: none"> ✓ Created 300,000 jobs ✓ Contributes to tax, which helps to pay for education and infrastructure ✓ Pays higher wages than local companies ✓ Helped to attract more MNC's | <ul style="list-style-type: none"> ✗ Investment could be quickly moved away from Vietnam, leaving the people without employment ✗ Nike has a large demand for energy and water ✗ Factories gained a reputation of sweatshop conditions after workers experienced abuse |
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Why has the global tourism industry grown –

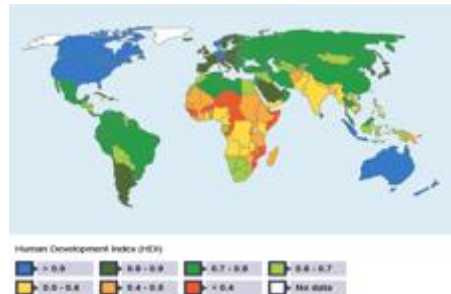
1. **Mass tourism** = began in the 1960's when MNC's began putting together package holidays which made holidays more affordable.
2. **Long haul flights** = As air travel became more affordable it allowed the growth of long-haul flights.
3. **Independent travel** = Mobile and technology is also having a huge impact on the tourism industry. It allows travellers to be independent rather than rely on MNC's.
4. **Cruise holidays** = Cruise holidays provide the customer with the convenience of a package flight and accommodation and meals. But the option to be independent during the day.

Ways to measure development -



Development = The process of a country becoming richer or having better healthcare and education.

HDI is considered to be the best measure of development as it takes into account both economic and social factors.



Development and Resource Issues

Paper 2



Globalisation - The free flow of goods, people, ideas and money. This makes a complex web of interdependence, linking people and places in distant continents.

Advantages	Disadvantages
<ul style="list-style-type: none"> • economic growth and improved standards of living • new jobs and helps to develop skills • increase in the sharing of ideas, experiences and lifestyles of people and cultures resulting in higher levels of understanding and tolerance • increase communication 	<ul style="list-style-type: none"> • An absence of strictly enforced international laws means that TNCs may pollute the environment. • there are no guarantees that the wealth from inward investment will benefit the local community. • new employment can run risks with safety or impose poor working conditions and low wages on local workers. • It is feared that it might drown out local traditions in favour of a western viewpoint and western style of living.

Types of Trade

- Trade blocks - Trading partnerships between countries
- Import Duty - A tax placed on goods brought into the country to make them more expensive
- Subsidy - A payment a country makes to its own farmers and business so that their goods can be sold at a lower price to consumers
- Quota - Restrictions on the amount of particular goods that can be imported each year
- Tariff - A type of tax that can be charged on goods as they enter the country

Ghana

Joined the WTO in 1995. Once joining Ghana had to stop paying subsidies to its farmers as this is banned by the WTO. These subsidies make American and EU food cheaper than their own so it gets imported. This means that tomato farms shut.



Fairtrade is about better prices and decent working conditions for farmers in the developing world as well as protection of the environment. Fairtrade limits child labour and improves locals access to healthcare.

Ghana

Cocoa production = employing 3.2 million farmers. Kuapa Kokoo is a co-operative of cocoa farmers. It sells part of its cocoa bean crop to Divine chocolate ltd.

Causes of uneven development:

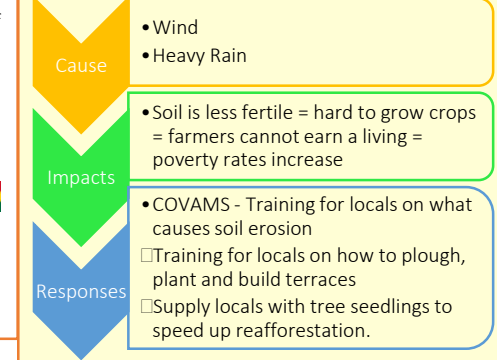
- Colonialism
- Independence
- Conflict
- Trade
- Poverty
- Physical factors (climate/ natural hazards/ water shortages/ relief/ relief)

Malawi

It is one of the poorest countries in Southern Africa as it is:

- Landlocked
 - Little exports
 - Suffered from HIV/AIDS
- Middle Shire in an area in Malawi that relies heavily on the Shire river. The Shire river provides most of Malawi's HEP (hydro electric power).

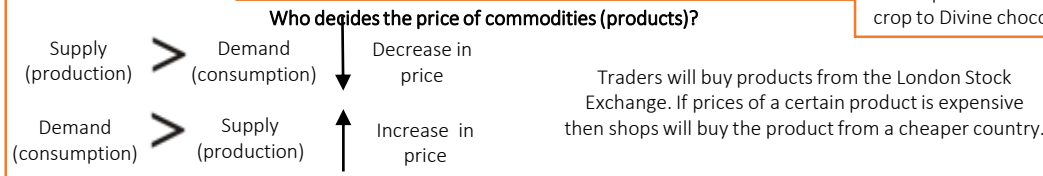
Exports - In Malawi, agriculture employs 84% of labour and accounts for 85% of export earnings. Tea is cultivated (grown) on 44 farms owned by 11 MNC's as well as 10,000 locally owned farms. 90% of Malawi's tea is exported to the UK and South Africa.



Why MNC's locate in NIC's/ LIC's.

Companies that operate in several countries are known as MNC (multinational corporations). The headquarters are usually found in a global city such as London. When money from one country is invested in another = foreign direct investment (FDI).

- Government incentives
- Availability of raw materials
- Low labour costs
- Close to markets to sell products
- Ability to sell inside trade barriers
- Reduced costs of building and land
- Weaker laws with regard to the environment and staff welfare.



Inequality in India (NIC) –

51% of India is unemployed and many work in the informal sector. Each state in India is responsible for providing health and education services. This provides extreme differences in inequality.

<ul style="list-style-type: none"> Investment in education Investment in manufacturing Investment in service 	<p>Kerala = State government are generous = Life expectancy is high, birth rate is low. = 92% of the population can read and write</p>	<p>Bihar = State government only recently begun to invest in public health and education. = India's poorest state = 47% can read and write = 85% of population is rural</p>
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Why have NIC's grown?

- strong, stable government
- a switch from agricultural to manufacturing and service jobs
- a focus on exports and trade
- products are kept cheap and competitive by using cheap, well-disciplined workers
- profits are invested in developing more industries and buying home produced goods - a multiplier effect
- over time the workforce becomes better educated and more skilled

But this can have impacts

Increased HDI Increase in waste Multiplier effect

Tourism in Mexico – How does it help locals?

Advantages

- Tourism creates direct employment for 52,000 people in Cancun and 175,000 jobs indirectly.
- \$4.36 billion is added to the economy by tourists to Cancun each year
- Tourism encourages greater entrepreneurship and improves language skills.

Disadvantages

- Sewage from the resort has caused the spread of disease in the coral reef
- Many jobs are seasonal and are a 1-3-month contract.
- Cancun suffers from tropical storms. In the past money has been invested into replenishing the beach rather than helping locals
- Quarter of the total garbage is produced by the hotel zone

Water Security -

South Africa –



When society has enough water to ensure everyone can access clean water, sanitation and the economy can grow food.

In 2018 it was 3 months away from running out of water.

Reasons for water insecurity –

- Rising Population
- Economic Development
- Lack of global freshwater
- Physical Environment
- Climate Change
- Agriculture

Rainfall is not distributed evenly over South Africa. It experiences relief rainfall



Wealthier countries do generally use more water but countries such as Pakistan and Egypt do not fit the trend. In these Middle-Income Countries, the water is abstracted (taken) to irrigate crops. Therefore uses a lot more water than HIC's such as the UK.

To overcome this, The Lesotho Highlands Water Project (LHWP) was introduced. The largest-scale water transfer scheme in Africa. Dams collect and pipes transfer water to areas of water deficit. Appropriate technology such as rainwater harvesting is also used.

Reducing inequalities in UK

Road improvements - In 2014 the government announced a £15 billion 'Road Investment Strategy'. The aim is to increase the capacity and improve the condition of UK roads.

Rail improvements - Investment in HS2 to connect London to the rest of the UK and shorten rail time

Port Developments - A new container terminal is being constructed at the Port of Liverpool. Known as 'Liverpool2', the scheme to construct a deep water quay on the River Mersey will cost about £300 million.

Airport Developments - A new runway at Heathrow would cost £18.6 billion.

Development continuum.



High income country - These are states where office work has overtaken factory employment, creating a post industrial economy where employment is mainly in the tertiary industry. (GNI per capita) of US\$12,736.

EG: UK

Upper middle country - is a country that is starting to develop at a rapid rate. They have a GNI of \$4,126 and \$12,736. Transnational corporations (TNCs) invest in these NEEs, which have sub-groups like BRICs and MINTs

EG: China

Lower middle country – GNI of \$1,026 and \$4,125. Transnational corporations (TNCs) invest in these NIC's. The number of NIC's has increased rapidly in recent decades: this is linked to the spread of globalization. As a result their economies are largely reliant on secondary industries such as working in factories.

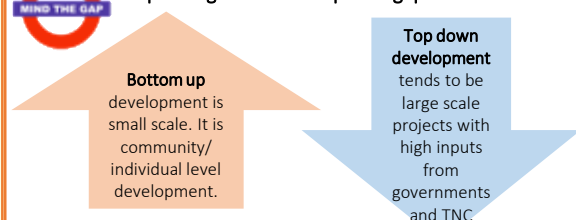
EG: Bangladesh

Developing country (LIC – Low Income Country) -They have a GNI of \$1045 or less. Agriculture still plays an important role in the their economies. As a result these countries are especially vulnerable to natural hazards such as flooding. It will often take them longer to recover as they do not have the economic support within their country.

EG: Mali



Responding to the development gap



- Aid** - Tazara railway that links Tanzania and Zambia was funded with international aid from China
- Industrial Development** – China
- Debt Relief** - Zambia had \$4billion of debt cancelled in 2005
- Fair trade** – Divine Chocolate bars
- Microfinance** – Phones for women in Bangladesh
- Intermediate technologies** - WaterAid in Tanzania

Free Trade

Developing countries rely on trade to increase their GNI. Since the 1980's the world has moved towards free trade. Each country within a trade block has a free trade agreement with countries in the block.

Advantages

- ✓ Countries can export as many goods as they like which is good for LIC's and NIC's
- ✓ Increase the income of producers in the country

Disadvantages

- ✗ Countries can find themselves swamped by cheap imports which can lead to jobs in its own country.



How can tourism reduce the development gap?

The **Gambia** is a LIC in West Africa. Poverty, poor health care and education places this country among the poorest 25 in the world. The Gambia only has a few natural resources (exports the peanut).

- ✓ Tourism is the second highest earner for the Gambia. It contributes to 40% of the country's wealth.
- ✓ 30,000 people are employed directly in tourism and at least another 35,000 indirectly.
- ✗ Tourism is very seasonal
- ✗ Tourists are fearful of political unrest. The country's leader is very outspoken on some topics such as the rights of gay people.
- ✗ In 2014, Ebola meant the Gambia tourist numbers were drastically low.

North-South Divide

Government spending on public services is roughly even across the country, but businesses are choosing to set up in the south.

This creates a large wealth divide and those living in the north of the country experience significantly different social and economic conditions from those living in the south.



Strategies to reduce these divides:

- HS2
- Foreign investment eg: Nissan
- Local enterprise partnerships (LEPS) are voluntary partnerships between local authorities and businesses
- Enterprise zones
- Northern Powerhouse

Factor	The North	The South
Incomes	£13,560 in the NE region. Benefits make up higher proportion of incomes.	Gross disposable income was £20,509
Unemployment	Higher unemployment, 7.7%.	Lower unemployment, 4.4%.
House prices	Average prices = £154,000.	Average price = £305,000.
Education	Pupils from the north are less likely to achieve straight A grades at A level	Pupils in the south are 40% more likely to achieve top GCSE grades.
Life expectancy	Life expectancy in Manchester 2013 = 71.8 (male) and 77.8 (female).	Male life expectancy in East Dorset 2013 = 83.1, female life expectancy

The Brandt Line

The Brandt line shows the economic gap that exists between the wealthiest and poorest groups in society. Drawn by William Brandt in 1980, it separated the richer 'north' from the poorer 'south'. In 2013, Oxfam reported that the richest 85 people in the world owned the same amount of wealth as the poorest half of the world's population.



TEST YOURSELF:

- State two methods to measure development (2 marks)
- Outline two advantages for fair trade cocoa growers (2 marks)
- Name a newly industrialised country and give two reasons to explain why this country has developed rapidly in recent years (4 marks)
- Give three reasons to explain why there is a north-south divide in the UK (4 marks)
- Explain why MNC's open factories in different countries around the world (4 marks)
- Give two reasons to explain why the consumption of water has increased globally (4 marks)
- Describe how improvements in technology and transport have helped the growth of the globalised tourist industry (6 marks)
- Explain why the demand for water is higher in high income countries than low income countries (6 marks)
- Explain why local economies have limited benefits from 'enclave tourism' (6 marks)
- 'The development gap provides a static view of the difference in development between countries.' What is meant by this statement? (8 marks)
- Evaluate the advantages and disadvantages of using the HDI to measure social development (8 marks)

Command Words:

- Analyse** - Take apart an idea, concept or statement and criticise it.
- Assess** - Come to a conclusion about the overall value or significance of something; discuss its positive and negative aspects to show balance.
- Compare** - Identify similarities and differences.
- Define** - State the meaning of an idea or concept.
- Describe** - Set out the main characteristics of something; DON'T EXPLAIN.
- Discuss** - Set out both sides of an argument (for and against) and come to a conclusion; there should be some evidence of balance.
- Evaluate** - Make a judgement about the effectiveness of something; discuss its strengths and weaknesses and come to a conclusion about its overall success or importance.
- Explain** - Give reasons why something happens.
- Give** - Produce an answer from recall.
- Justify** - Support an idea or argument with evidence; for the outcome chosen, the positives must outweigh the negatives.
- State** = name
- To what extent** - Discuss and conclude how far you agree or disagree with a statement or view.



Box = command word
Underline = key words
Glance = back