

WHAT IS AN ECONOMY?

YEAR 7

Types of economy –

Primary - This is the process of getting the raw materials together



Secondary - This is the using the raw materials to create a new product



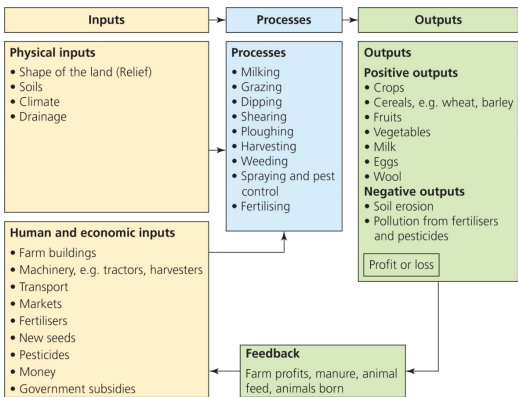
Tertiary - Using or selling this new product



Quaternary - Research and development



Farm as a system –



Globalisation –

The way in which the world has become more interconnected. It refers to how people communicate as well as world trade, international investment and the sharing of ideas.

Factors that encourage globalisation:

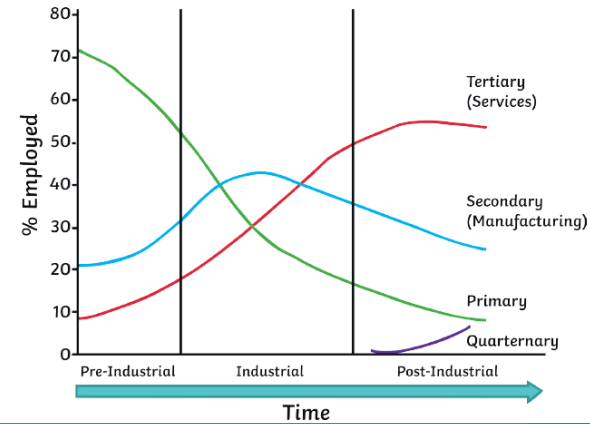
- Transport developments: Container ships and air travel make it easy to transport goods
- ICT developments: The internet allows people and businesses to communicate instantly and mobile phones enable people to communicate wherever they are.

A multinational company (MNC) = business that operates in at least one country other than its home country.



The UK's economic structure

A country's employment structure describes how jobs are divided between these four sectors. The employment structure of a country can change over time. The graph shows how these sectors have changed over time.



A system describes the way in which something is carried out. Each system is made up of:

- inputs:** physical, human and economic inputs which enable the system to work
- processes:** the activities that take place to produce the outputs
- outputs:** the end results of the inputs and processes, which can be sold
- feedback:** the elements that can be put back into the process for it to continue and improve.

Why has manufacturing declined?



New technologies such as robots replacing people in modern industry



Competition from other countries such as China, which can produce goods cheaper as labour is less expensive

What is a port?

A port is a location on the coast that provides facilities for ships to load and unload their cargo. A port must have:

- a large area of sheltered water, plenty of flat land
- good transport links
- Nearby labour force



Types of farms –

A farm is an area of land and its buildings where crops are grown and/or livestock are kept

- **Arable farms** - where crops are grown, e.g. wheat and barley
- **Subsistence farming** - is where a farmer is only growing enough to feed their family
- **Pastoral farms** - where animals are raised, e.g. cattle and/or sheep
- **Mixed farms** - where crops are grown and animals are kept
- **Market gardens** - where fruits, vegetables and flowers are grown.

Diversification – when a farmer adds new money making activities to the typical farming activity.

- Pick your own crops
- Shooting
- New animals
- Wind turbines
- Camping

Why has the tertiary sector grown?

Wages increased



More disposable income



New jobs in tertiary sector as more people required services.



Tourism – Cheap and quick transport and introduction of paid holidays meant workers could afford a week's holiday away from home.



Nissan –



In 1984, the Japanese car company Nissan decided to locate its first European factory near Sunderland. This was because the government offered a financial investment of £40 million to provide jobs.

In 1986, Nissan Motor Manufacturing UK employed slightly less than 500 people and built 5,000 cars.

In 2016 this had risen to 7,000 employees and produced 500,000 vehicles.

Faurecia (France): parts for seats (e.g. tracks, recliners, height adjusters) from Portuguese, Polish and French factories

NSK (HQ Japan): power assisted steering from Polish factory

Denso (Japan): compressor from German factory; crank sensor from Japanese factory



Bridgestone (Japan): tyres from Polish and Spanish factories

ZF Friedrichshafen (Germany): shock absorbers, electric park brakes, airbags, camera systems, steering wheels from factories all over the world

Sogefi (Italy): suspension coil springs – front from UK factory; rear from Spanish factory

Origins of parts used in cars built in the UK

UK 41% Rest of the world 59%

Destination of production from Nissan's Sunderland plant

UK 20% EU 55% Rest of the world 25%

What impacts where factories should be located?



Skilled workforce – When there was a decline in manufacturing people were trained and ready to work



Communication – Close to the ports and railway which allows transport to Europe.



UK Government support – Grants and financial incentives to provide local jobs



Large plot of land – Areas of land that allow the product to be tested and built.



FAIRTRADE

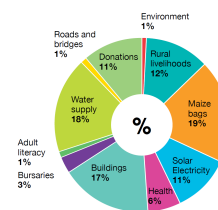
Fairtrade is about better prices and decent working conditions for farmers and workers in the developing world. It happens by making companies pay prices that never fall lower than the market price. Each year Fairtrade pay a premium to communities which is spent how the locals wish.



Satemwa tea estate, Malawi

Process 2500 tonnes of tea per year.

- Solar power – 600 homes have power which allows people to work at home
- Education - 3 new classroom blocks and desks for Primary School
- Health – Malaria drugs/ nets



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

Key Words-

Balance of Trade = The difference between the money a country earns from its exports, and the money it pays for its imports

Disposable Income = income remaining after deduction of taxes, available to be spent or saved as one wishes.

Diversification – when a farmer adds new money making activities to the typical farming activity.

Employment Structure = describes how jobs are divided between the economic sectors

Exports = Those that a country sells

Factory = a building where goods are made

Fairtrade = trade between companies in developed countries and producers in developing countries in which fair prices are paid to the producers.

Globalisation - the process by which businesses start operating on an international scale.

Imports = The raw materials, goods and services that a country buys

Labour = workers

Location = a particular place or position

Manufacture = the action of making things from components or raw material

Port = a location on the coast that provides facilities for ships to load and unload their cargo.

Production = make (something) on a large scale using machinery.

Profit = a financial gain, especially the difference between the amount earned and the amount spent in buying

Stakeholder = a person with an interest or concern in something

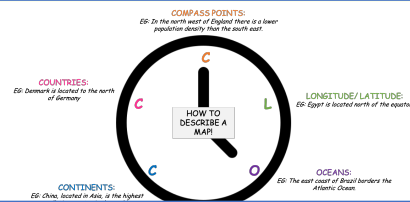
System = a set of things working together as parts of a mechanism

Tourism = operation of holidays and visits to places of interest.

Trade = the buying and selling of natural resources, manufactured goods and services.

Describe the Distribution...

- Compass points
- Longitude/ Latitude
- Oceans
- Continents
- Countries



When asked to describe the distribution use CLOCC.

As a minimum use place names and compass points.

How to revise:

To revise you should reduce these notes further, use colour and images. You could make a mind map/ poster/ revision cards/notes/ presentation/ song/ answer the following questions.

1. Define globalisation
2. I am a type of farm that grows crops, what type of farm am i?
3. State the four types of economic sectors
4. What is a system? Can you name an example of a system?
5. Define the tertiary sector
6. Name three ways a farm can diversify
7. Give four things that impacts where factories locate.
8. State how the primary sector is different to the secondary sector
9. Describe the changes in the economic sector using the graph to the right.
10. Describe how Fairtrade benefits its local community
11. Explain how the farm works as a system
12. Explain how the Fairtrade premium can be spent to improve the local community
13. Explain what features a port needs.
14. Explain how Nissan can be considered a multi-national corporation. Use the image on the right to help you.
15. Explain why the tertiary sector has grown.
16. Assess why manufacturing has declined.

