

UK's Economic Issues

How does the economy work?

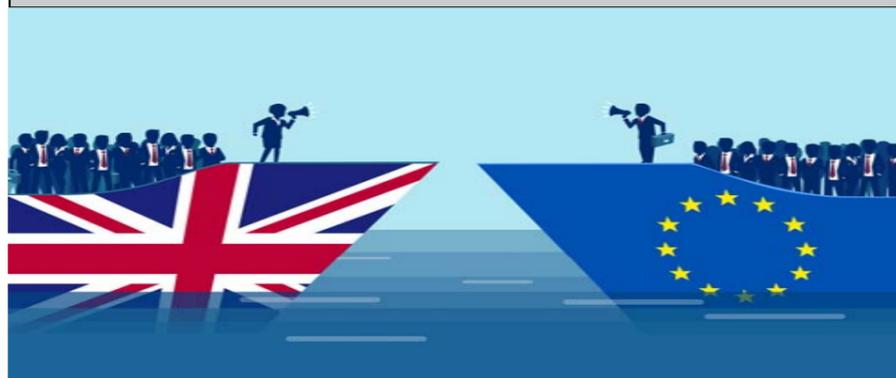
- The economy works by exporting (sending goods out to different countries) and by importing (bringing goods into the country).
- The economy has different sectors of jobs - Primary (getting goods out of the ground), Secondary (manufacturing), tertiary (providing a service) and quaternary (research and development).
- Most of the UK's economy is based around tertiary sector jobs around 74%.
- We get many goods from abroad because it is cheaper to do so.

How can the economy create homelessness?

- One of the biggest problem in the capital of the UK is homelessness.
- There are several reasons for homelessness being created in London. These include unemployment, leaving the armed services and domestic abuse.

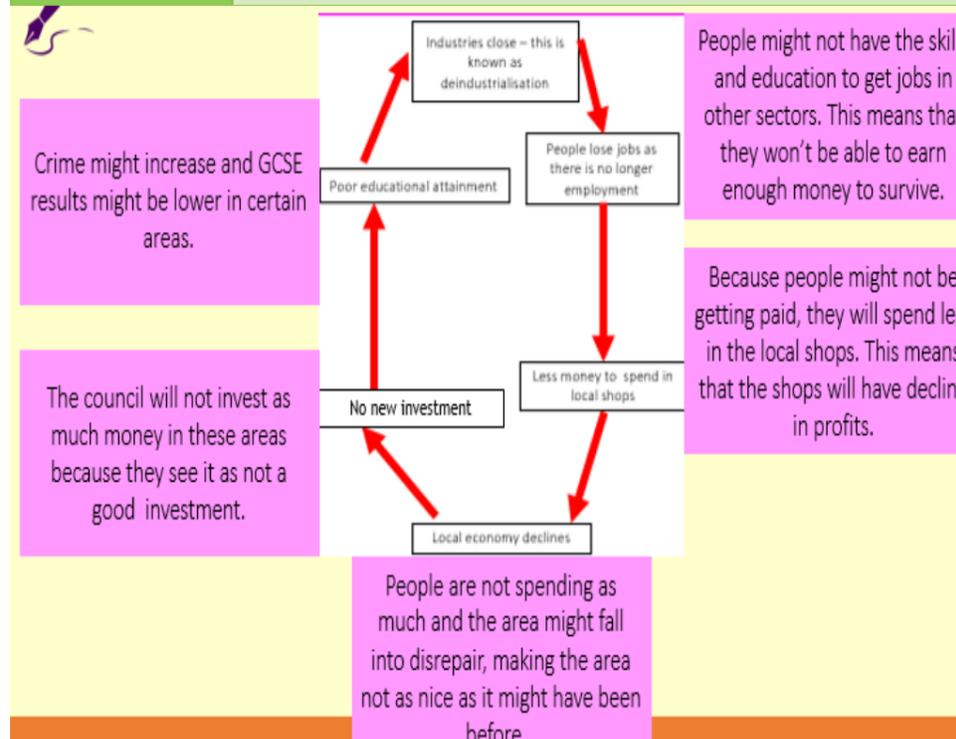
How can the economy create poverty?

- Poverty is an issue in cities such as London. One of the biggest reasons for this is the decline in secondary industry, as it is cheaper to do this abroad.
- This often leads to large issues in these areas as there is widespread unemployment, lack of investment and this leads to many households experiencing poverty.
- Many projects (Olympics) in more deprived areas of London, such as Newham, have reduced the issues of poverty on the whole, as the areas have been regenerated to make them more attract to people to work and live there.

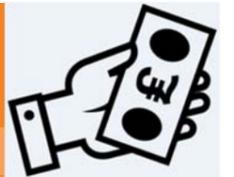


Key Terms

Economy	The system of how money is made and used within a particular country or region.
Import	Bringing goods or services into a country from another country for sale. The UK imports lots of food, clothing and manufactured goods.
Export	Selling goods or services to another country for sale.
Homelessness	State of having no permanent home.
Poverty	This is the inability to pay for goods and services because you don't have a high income. This is the inability to pay for goods and services because you don't have a high income.
Globalisation	This is how countries are coming together as one big global economy, making international trade easier.
Tertiary sector jobs	A segment of the economy that provides services to its consumers.
Ethnic diversity	A marked difference between people of many ethnic groups. This presents lots of positives such as sharing of culture.



Case Study: Economic Issues in London



Ethnic and Economic diversity in London

ECONOMIC DIVERSITY

- London is extremely economically diverse. Many of the people who make the most money in London are from Middle Eastern countries and Russia. These people are called 'elite migrants'.
- However there are lots of people who are low income migrants who move to places like London for a better quality of life.

ETHNIC DIVERSITY

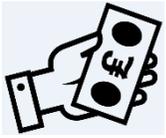
- London is referred as a 'melting pot' of culture, due to the large amount of migration that occurs - this has led to a unique geography of different ethnic groups.
- Often different ethnic groups live in similar areas in cities as this provides a sense of familiarity - these areas are called enclaves.

What created the London Riots?

- The London Riots took place in 2011 and saw looting, arson, large scale use of police and 5 deaths. There were also 'copycat' riots in other UK cities.
- The riots initially began as a peaceful protest against the police shooting of 'Mark Duggan'. People were angry with the police and thought it was wrong he was shot. More people joined the protest and overnight it turned violent.
- The reasons so many people joined in the riots are complex, but many point to racial tension, class tension (between the rich and poor), government spending cuts, unemployment, gang culture and social media spreading ideas quickly between people.

How does London link to the rest of the world?

- London is a global financial centre, home to the London Stock Exchange where 2,600 companies from 60 countries list major businesses.
- 37% of Londoners were born outside the UK and 300 languages are spoke here.
- The UK's government is based in London and they have political and trading relationships with the world's major organisations e.g. the G7 and United Nations. The UK voted to leave the EU in 2016 (Brexit) and there is debate as to whether this decision will make the UK richer or poorer.



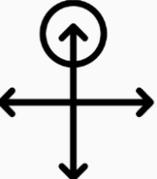
Topic 5 – How is the UK 's economy developing?

Core Threads in this topic...



Rationale (Why are we studying this?)

We are further **developing understanding around the economy**. We have developed a **sense of scale** and we are now looking at **London** as an example and how the **whole of the UK is developing**. We are building on ideas that you learnt in Term 2 about the development of Halifax. This topic builds around the ideas of development and how developed the economy of the UK is.

<p><u>Economic Issues in the UK</u></p> <p>The UK is predominantly a tertiary sector economy – meaning, most people work in the service sector. 100 years ago the economy of the UK was more based around agriculture and there has been a shift to tertiary jobs. In order for the economy to develop the UK needs to trade with different countries to make revenue for the country and improve the quality of life for these people.</p> 	<p><u>How does the UK's economy work?</u></p> <p>The world is becoming smaller, because of globalisation. We now trade more with different countries around the world. We import many products and we export products to several countries around the world. We can use data to decide whether a country is rich or poor.</p> 	<p><u>Why is there homelessness in the UK?</u></p> <p>Homelessness is becoming a large problem in the UK. Since the financial crash in 2008, homelessness has increased, and there are several reasons for why this has happened. These include unemployment, domestic abuse, being from the armed forces. It is particularly an issue in the capital, London.</p> 
<p><u>Why is there urban poverty in London?</u></p> <p>Urban poverty is a problem in large cities in the UK. It is very apparent in the capital city of London. Newham is an area of London that has experienced a decline in employment due to factories shutting down and this had led to a 'spiral of decline' in many areas, leading to poor quality environments. Areas have been improved through large events such as the Olympics.</p> 	<p><u>What is the North/ South divide?</u></p> <p>There are large differences between the North and the South of the UK. The North is perceived as a less affluent (poorer) area with less funding from the government. HS2 is a scheme that is addressing differences between the North and South and is encouraging businesses to locate into the North but the scheme is controversial (lots of people are not sure about it)</p> 	<p>How economically diverse is London?</p>
<p>How ethnically diverse is London?</p>	<p>What problems can ethnic tensions cause?</p>	<p>How does London link to the rest of world and Europe?</p>

Next steps in learning...