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Approaches to development

Countries can try various approaches to development, including top-down and bottom-up strategies. All development is affected by globalisation. Some countries have benefited more than others from globalisation.

5

Top-down and bottom-up strategies



Top-down strategies

- Top-down projects are usually large-scale. This means they aim to develop a whole country or region, for example building dams that provide electricity for thousands of people.
- Decisions are made by governments or large companies, not by local people.
- Top-down schemes are extremely expensive, costing millions or billions of pounds, and are sometimes funded by international development banks.
- The technology involved is often extremely sophisticated and expensive to maintain.

Bottom-up strategies

- Bottom-up projects are local-scale projects that aim to help a community or small area to develop. An example is building a well so that a community has access to safe, clean water.
- Decisions are made by the local people affected by the project.
- Bottom-up projects are usually much cheaper than top-down projects. They may be funded by the local community.
- The technology involved is kept simple so that local people can operate it and repair it.

10

Globalisation



Globalisation is the increasing interconnectedness and interdependence of the world, especially economically. A government can promote the globalisation of its country by reducing regulations for foreign businesses. For example, they can allow transnational corporations (TNCs) to pay low taxes.

Containerisation means using containers of a standard size and shape to ship goods.

Some countries have benefited more than others from globalisation. TNCs build factories in developing countries to take advantage of lower wages and produce their products cheaply, but have their headquarters, where highly-paid jobs are located, in developed countries.

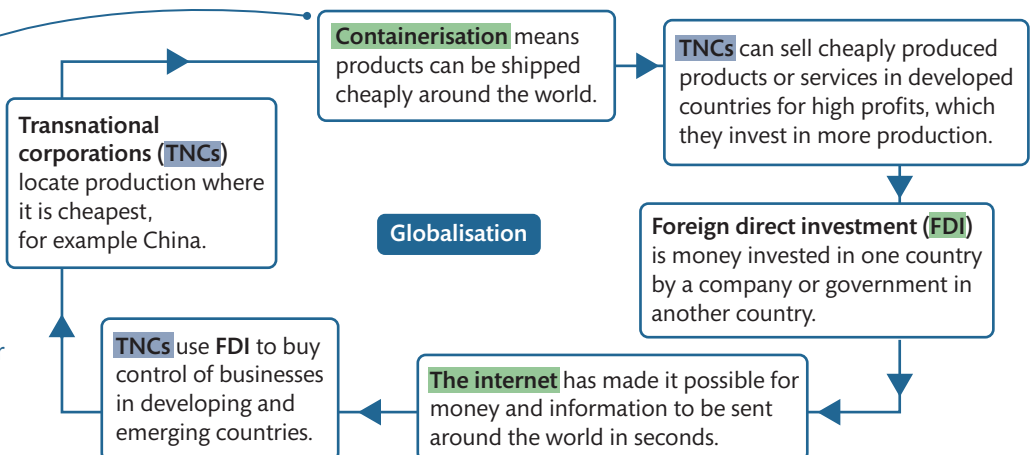


Figure 1 Flow diagram showing the processes and players that contribute to globalisation

5

Worked example

Grades 5–7



Explain why TNCs invest in developing countries. [4 marks]

TNCs invest in developing countries in order to produce products as cheaply as possible. They need a cheap labour force that is educated enough for workers to be trained. The TNC can find these workers in some developing countries. Governments of developing countries want to have the benefits that the TNCs will bring, especially investment and the jobs that they will create. This means that governments will provide tax incentives for the TNCs that wish to invest in their country.

2

Exam-style practice

Grade 4



Which of the following is a characteristic of a bottom-up strategy? [1 mark]

- ☐ A Experts work with locals to identify their needs.
- ☐ B It aims to develop a region or nation.
- ☐ C Local people have no say in the project.
- ☐ D It may have large-scale negative environmental consequences.



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Advantages and disadvantages

Different approaches to development have their advantages and disadvantages. You need to know about the advantages and disadvantages of NGO-led intermediate technology, investment by TNCs and IGO-funded large infrastructure.

5

Key terms



- ✓ **Non-governmental organisations (NGOs)** are organisations (often charities) who are independent of governments and many have expertise in development issues.
- ✓ **Intergovernmental organisations (IGOs)** are groups of different countries working together. Examples include the United Nations and the World Bank, both of which help to organise development projects.
- ✓ **Intermediate technology** is simple technology that local people can use and repair for themselves.
- ✓ **Transnational corporations (TNCs)** are companies that operate in at least two countries.

5

NGO-led intermediate technology



- 👍 Local people have a good understanding of what they need most. Working directly with local communities gives NGO-led development schemes a better chance of meeting local needs and being used and improved.
- 👍 Intermediate technology means local people can be trained to maintain the project and fix it if it breaks.
- 👎 The project only helps a small number of people.
- 👎 Governments in developing countries may rely on NGOs too much, instead of developing their own solutions to people's problems.

5

TNC investment



- 👍 Investment by TNCs creates jobs, develops skills and introduces modern technology into developing and emerging countries.
- 👍 Other industries and services often grow up around TNC-funded businesses. This **multiplier effect** boosts development.
- 👎 TNCs may pull their investment out of an area if they find a cheaper location for production.
- 👎 Some TNCs may permit poor working conditions that would not be tolerated in developed countries.

2

Worked example

Grades 4–5



Study **Figure 1**, which shows a rainwater harvesting project in use in India.



Figure 1 Rainwater is captured in the rainy season and stored for use in the dry season.

Suggest **two** characteristics of the project that make it an example of intermediate technology. **[2 marks]**

Rainwater capture is a very simple technology which is easy for local people to use. It is small-scale technology that uses local resources (i.e. rainwater) and it is sustainable, as it does not require electricity to make it work.

Exam focus

For a 2-mark **suggest** question like this, you need to make a clear, developed point to get both marks.

5

IGO-funded large infrastructure



- 👍 IGOs can access very large amounts of money, allowing huge projects such as dams to be constructed in developing countries.
- 👍 Very large numbers of people can benefit. For example, whole regions can gain access to electricity or a water supply for irrigating their crops.
- 👎 There can be negative consequences for some people. For example, the reservoirs, created by constructing dams, often flood inhabited land.
- 👎 The huge amounts of money involved in IGO-funded large infrastructure projects can encourage corruption; people may steal the money.

2

Exam-style practice

Grade 4



Which of the following would be an example of an IGO-funded large infrastructure development project? **[1 mark]**

- ☐ **A** A network of canals to irrigate 2 million hectares of farmland
- ☐ **B** A village biogas plant, powered by cow dung
- ☐ **C** Toilet facilities for a town district
- ☐ **D** A new factory, funded by TNC investment





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Emerging economy: India

You need to know a case study about the development of **one** of the world's emerging countries. It is important that you know where the country you have studied is, and how this has affected its development. This case study is about development in India.

15

Case study



India in the world

India is now the second most populous nation on the planet, with 1.3 billion inhabitants. It is also the seventh largest economy in the world. Since economic reforms in 1991, it has experienced rapid economic development that has enabled it to be grouped with other rapidly-emerging economies, known as the **BRICS** (Brazil, Russia, India, China and South Africa).

- **Site:** refers to the country's location (where it is in the world and which continent and hemisphere it is in). India is a large country located in South East Asia. The Tropic of Cancer runs through the north of India.
- **Situation:** relates to its surroundings, both physical and human. The west coast of India is on the Arabian Sea, while the Bay of Bengal and Indian Ocean can be found off the east coast. The north of India shares international borders with seven other countries including, Bangladesh, Pakistan and China.
- **Connectivity:** refers to how well a country is connected to its neighbours and the wider world. India was once part of the British Empire and still has a close relationship with the UK today.

Society and culture

- In 2018, India had a population of 1.3 billion and was the second most populous country in the world.
- In 2018, life expectancy for women was 70.3 years and for men 67.4 years.
- India has a world-famous history and culture. The Indian film industry, which includes Bollywood, makes more than 1600 films a year, seen by over 2.7 billion people.

Politics

- The country is a member of the World Trade Organization and the UN.
- India is the world's largest democracy and a federal republic, made up of 29 states.



Figure 1 India's site and situation

Environment

- India has a range of contrasting environments – in the north are the foothills of the Himalayan mountains and in the south is the upland Deccan Plateau. The River Ganges flows through the fertile floodplains in the north-east and out into the Bay of Bengal. The Thar Desert is also located in the north-east.
- The country experiences two monsoon seasons: the north-east monsoon and the south-west monsoon. These occur at different times within the overall monsoon season of June to October.
- In 2014, India was ranked 155th out of 178 countries for its environmental quality.

5

Worked example

Grade 5–6



Explain **one** way in which a country's history can affect its economic development.

[2 marks]

Some countries, like India, were once governed by other countries. Until 1947, India was part of the British Empire and today continues to be part of the Commonwealth. This means it still has a close trading relationship with the UK. Many UK companies, like BT, have outsourced parts of their business to India.

5

Exam-style practice

Grades 5–6



Explain **one** way that environmental factors can affect a country's economic development.

[2 marks]



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India: Economic change and development

Emerging countries have undergone rapid economic growth in recent times. For your case study country, you need to understand how and why its economy has grown.

5 Economy

India's Gross Domestic Product (GDP) is US \$2.3 trillion (for comparison, the UK's is US \$2.6 trillion). India's Gross National Income (GNI) per capita in 2017 was US \$7760. In 1990, it was US \$1220.

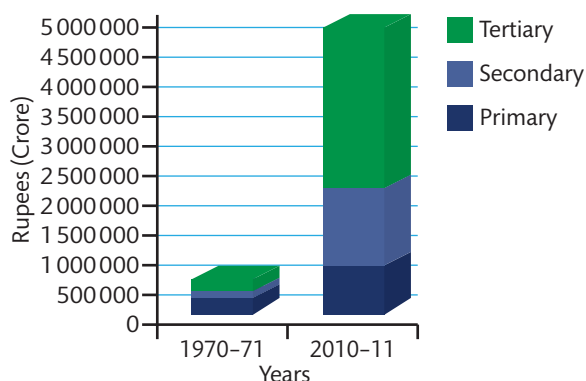


Figure 1 India's GDP by economic sector

2 Regional influence

India has emerged as an important regional power. As a rising economic and nuclear power and with a population of over 1.3 billion, India's increasing affluence has provided a growing market for its neighbours to trade with.

5 Key economic trends

- Manufacturing industries – the secondary sector of the economy – have rapidly expanded in India in recent years. This has been encouraged by government initiatives such as Make in India, which is intended to make India a global manufacturing hub and create millions of jobs.
- The secondary sector's contribution to India's economy has risen, while the contribution of the primary sector, particularly agriculture, has declined. In 1991, 64 per cent of people worked in agriculture while in 2017 it was 43 per cent. This has led to increased migration from rural areas to urban areas. The services sector, or tertiary sector, now makes the biggest contribution to India's GDP (61 per cent). This has resulted in a more skilled workforce and is reducing poverty.
- Parts of India's quaternary sector have grown rapidly, particularly the telecommunications network. Investments from transnational corporations (TNCs) have contributed to this change.

5 Globalisation

- In the 1990s, the Indian government adopted a pro-foreign direct investment (pro-FDI) policy and opened up its markets to global trade. Foreign companies no longer had to pay high taxes on profits that they made in India. The government reduced controls on how much money could be invested in India from abroad.
- By 2005, many TNCs were investing in India – it was second only to China for the amount of FDI it received.
- One strong area of growth was telecommunications. Because of India's history as part of the British Empire, English is one of many languages spoken in India. Many TNCs outsourced their call centres to India, as wage costs were much lower than in many other countries.
- Some multinational companies, such as Toyota, manufacture cars in India.
- Historically, India has received over £200 million a year from the UK government in aid. In 2015, the UK government significantly reduced aid to India because the economy had grown so much.

10 Exam-style practice

Grades 5–7

- 1 For a named emerging country, explain **two** ways in which globalisation has affected that country's development. [4 marks]
- 2 Study **Figure 1**. Describe how the economy has changed since 1970. [3 marks]
- 3 Suggest **one** reason for the changes in India's economy, shown in **Figure 1**. [2 marks]





India: Impacts of development

You may need to answer questions about an emerging country that is managing to develop, using a case study you have revised. This case study looks at the impacts of development in India.

2

Demographic change



Rapid economic change contributes to demographic change.

- In India, the fertility rate has fallen from approximately 5.2 children born per woman in 1971 to 2.3 in 2018.
- The death rate per 1000 people has fallen from 10.59 in 1991 to 7.31 in 2016.

These changes have happened as access to healthcare, education and employment have increased.

Water pollution and air pollution both have serious impacts on human health. Air pollution can cause respiratory problems, while polluted water can carry diseases such as cholera and typhoid.

5

Environmental impacts



Rapid development has had a number of negative environmental impacts in India.

- Air pollution is a serious problem: 13 of the world's top 20 polluted cities are in India. Delhi is one of the world's most polluted city. This is mainly due to a rapid increase in the numbers of cars, motorbikes and lorries.
- Water pollution: India's rivers, such as the Ganges, are badly polluted and a major risk to health. This is mainly because of big increases in the amount of untreated human sewage going into rivers.
- Rapid development has led to increased greenhouse gas emissions, which contributes to climate change. India is the world's third largest emitter of carbon dioxide after China and the USA. This is mainly because India relies on coal as its main energy source.

10

Urbanisation and regional development



Rapid economic change has caused urbanisation.

- In 2018, 33 per cent of the population lived in urban areas; in 1901 only 11 per cent of India's population lived in urban areas.
- Urbanisation is driven by rural-urban migration: people leaving the countryside to find work in cities.
- City growth is driven by the demand for more houses and jobs. India has two of the world's five largest cities: Mumbai and Delhi.

These changes have created regions with different socio-economic characteristics. In 2018, India's richest state, Goa, had a Gross Domestic Product (GDP) per capita approximately 10 times higher than Bihar, India's poorest state. Bihar is a rural state, where most people still work in farming, whereas Goa has a thriving tourist industry.

5

International influence



As emerging countries become more important to global trade, they have more geopolitical influence in their region and internationally.

- India is becoming less dependent on aid from Europe and the USA. In 2015, the UK government significantly reduced the aid given to India.
- India is a member of the G20. This is an influential group of the world's 20 most developed economies, including the USA and countries in the European Union (EU).
- India's strong economy has led to it becoming stronger militarily. This makes India seem more threatening to its neighbours, especially Pakistan.
- Indian companies are important for foreign direct investment (FDI). India is able to support investment in developing countries. It has also invested in steel making and car making in the UK.

2

Worked example

Grade 6



For a named emerging country, explain how rapid economic change has contributed to demographic change.

[4 marks]

As India has become wealthier, life expectancy has increased because housing quality, access to healthcare and access to clean water has improved. The fertility rate has fallen from 5.2 children per woman in 1971 to 2.3 children in 2018. This decrease is linked to rapid economic change as people, especially women, who work in services are better paid and tend to have fewer children.

2

Exam-style practice

Grades 5–7



In 2014, Goa had a GDP per capita of \$5498. The mean GDP per capita for India was \$1395.

Calculate how many times higher the GDP per capita for Goa was than the mean GDP per capita for India. **[2 marks]**



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India and globalisation

You need to know about changes that have happened in your case study country as a result of economic development and globalisation, and different views of these changes. This page looks at India.

10

Age and gender



- Younger people have benefited from new jobs created by foreign direct investment (FDI). This is because younger people are more likely to leave rural areas and move to the cities for the new jobs (rural-urban migration).
- Economic development has made more jobs available. India's growing middle classes now have access to a huge range of interesting and well-paid jobs in industry and services.
- Women have benefited from better healthcare, which has reduced the maternal mortality rate to 174 per 100 000 births in 2015. The rate was 556 per 100 000 births in 1990.
- New jobs created as a result of FDI have not benefited older people. As young people have moved to the cities, older people have been left behind. Older people are often left in charge of grandchildren whose parents are working in the cities. Older people are also often left to work the family farm.
- Not all the new jobs offer good pay and conditions. 21 per cent of Indians live on less than \$1.90 per day. People who are poor will work long hours for low pay, for example, in India's many textile factories.
- India's women are discriminated against for social and cultural reasons, especially in rural areas.

2

Benefits of TNC investment



India is attractive to TNC investment because of its skilled labour force (e.g. many English-language speakers), low labour costs, growing middle class and government tax breaks for TNCs.

- Transnational corporations (TNCs) have created jobs and trained and educated their employees.
- TNCs pay tax to the government, which can then be invested in social improvements.
- TNCs create a multiplier effect for economic development.

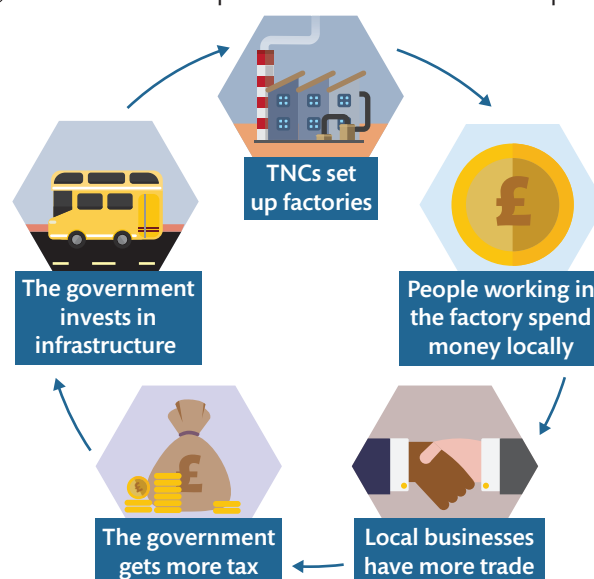


Figure 1 TNC investment can create a multiplier effect.

2

Worked example

Grade 6



Explain how changing international relations have costs and benefits for a named emerging country.

[4 marks]

India's importance in global trade means it can now make strong demands in trade deals with developed countries. For example, in return for a trade deal with the EU, India can demand rights for Indians to move to the EU to live and work.

A cost of India's growing importance in the world is that there is more international pressure on the country to help solve global warming. This would mean more government controls that Indian people might not accept. For example, controls on vehicle emissions would make transport more expensive, and reductions in the use of coal could make electricity more expensive.

2

Costs of TNC investment



Not all the impacts of TNC investment have been positive for India. For example:

- Some TNCs have created a lot of pollution, taking advantage of the relaxed environmental laws in India.
- Many TNCs are owned by foreign countries, so **economic leakage** occurs. This is when profits are sent abroad to the TNC's headquarters.
- TNCs often produce products that are cheaper and better marketed than local products. Local producers are outcompeted and close down.

2

Exam-style practice

Grade 4



Study **Figure 1**, which shows the multiplier effect of TNC investment.

Explain **one** way foreign investment can increase economic development in a developing country.

[2 marks]

