AP HUMAN GEOGRAPHY • EXERCISE SHEET

7.7 Changes as a Result of the World Economy

Name: ______________ Class: __________ Date: ____________ **Total: 10 marks**

Objective

Build the skills to answer exam questions on **economic restructuring** 经济重构 and the world economy.

You must be able to:

- define **outsourcing** 外包 and **offshoring** 离岸外包
- define **deindustrialization** 去工业化
- explain a **special economic zone** 经济特区 (SEZ)
- define a **footloose industry** 无固定区位产业

1 Worked examples

Study these first. Each one shows the method for a task used later.

■ Outsourcing and offshoring

Outsourcing hires another firm to do a task; **offshoring** moves work to another country —usually to cut labour costs.

■ Deindustrialization and SEZs

Deindustrialization is the decline of manufacturing in a region as factories move away. A **special economic zone** offers tax breaks and looser rules to attract foreign industry.

■ Footloose industries

A **footloose industry** (e.g. software) is not tied to raw materials or markets, so it can locate almost anywhere.

2 Practice

2.1 State the difference between outsourcing and offshoring. [2]

2.2 Explain what a special economic zone is designed to do. [2]

2.3 Factories in an old industrial city close as production moves abroad.

(a) Name this process. [1]

(b) State one consequence for the city. [1]

3 Exam-style questions

3.1 Moving a company's call centre to another country to cut costs is [1]

- **A** deindustrialization
- **B** offshoring
- **C** a tariff
- **D** a greenbelt

3.2 A software company that can locate almost anywhere is a [1]

- **A** footloose industry
- **B** primary industry
- **C** break-of-bulk point
- **D** primate city

3.3 A developing country opens a special economic zone near a port.

(a) State one incentive it offers foreign firms. [1]

(b) Explain one benefit the country hopes to gain. [1]

4 Go further

- work through the **7.7 Changes as a Result of the World Economy** lesson on the **Learn** page;
- read the **Industrial and Economic Development** section of the AP Human Geography handout on the **Know** page.

Solutions

2.1 outsourcing = hiring another firm to do work; offshoring = moving that work to another country.

2.2 offer tax breaks/looser rules in a defined area to attract foreign investment and industry.

2.3 (a) deindustrialization. (b) job losses, decline, unemployment, or need to restructure.

3.1 **B**. relocating work abroad = offshoring.

3.2 **A**. not tied to inputs/markets = footloose industry.

3.3 (a) tax breaks, cheap land, or relaxed regulations. (b) foreign investment, jobs, technology, and exports.