

SECTION 3

Reading for Understanding

▶ Key Ideas

BEFORE, YOU LEARNED

Migration changes places and regions by introducing new people and cultures.

NOW YOU WILL LEARN

Economic activities in an area depend on the presence of natural resources.

▶ Vocabulary

TERMS & NAMES

natural resource something that is found in nature that is necessary or useful to humans

economy a system for producing and exchanging goods and services among a group of people

economic system a way people use resources to make and exchange goods

command economy an economic system in which the production of goods and services is decided by a central government

market economy an economic system in which the production of goods and services is decided by supply and the demand of consumers

Gross Domestic Product (GDP) the total value of all the goods and services produced in a country in a year

export a product or resource sold to another country

import a product or resource that comes into a country

specialization a focus on producing a limited number of a specific products

BACKGROUND VOCABULARY

raw material an unprocessed natural resource that will be converted to a finished product

▶ Reading Strategy

Re-create the chart shown at right. As you read and respond to the **KEY QUESTIONS**, use the chart to categorize important details about types of economic systems.



Skillbuilder Handbook, page R7

CATEGORIZE

ECONOMIC SYSTEMS			
Traditional	Market	Command	Mixed
1.	1.	1.	1.
2.	2.	2.	2.
3.	3.	3.	3.



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SECTION 3

ECONOMICS

Resources and Economics



5.04 Describe the relationship between specialization and interdependence, and analyze its influence on the development of regional and global trade patterns.

6.01 Describe different levels of economic development and assess their connections to standard of living indicators such as purchasing power, literacy rate, and life expectancy.

Connecting to Your World

What natural resources are found in your area? A **natural resource** is something found in nature that is necessary or useful to humans. Forests, mineral deposits, and fresh water are examples of natural resources. Often, the presence of natural resources attracts people to a particular area. Think about how important natural resources are to your life, to your community, and to your country. How are they being used, and how long will they last?

Natural Resources

KEY QUESTION What are the different types of natural resources?

Natural resources are essential for economic development, but resources are not equally distributed around the world. People learn to use the resources in their own areas to their best advantage. However, just because a natural resource is present does not mean it can or will be used. People in some countries may not have the technology to take the resource and turn it into usable products. For example, iron ore is useless until technology turns it into iron and steel products. Technology changes over time, making the value of resources change as well.

Copper Mine

This copper mine in Spain has been producing copper since Roman times.

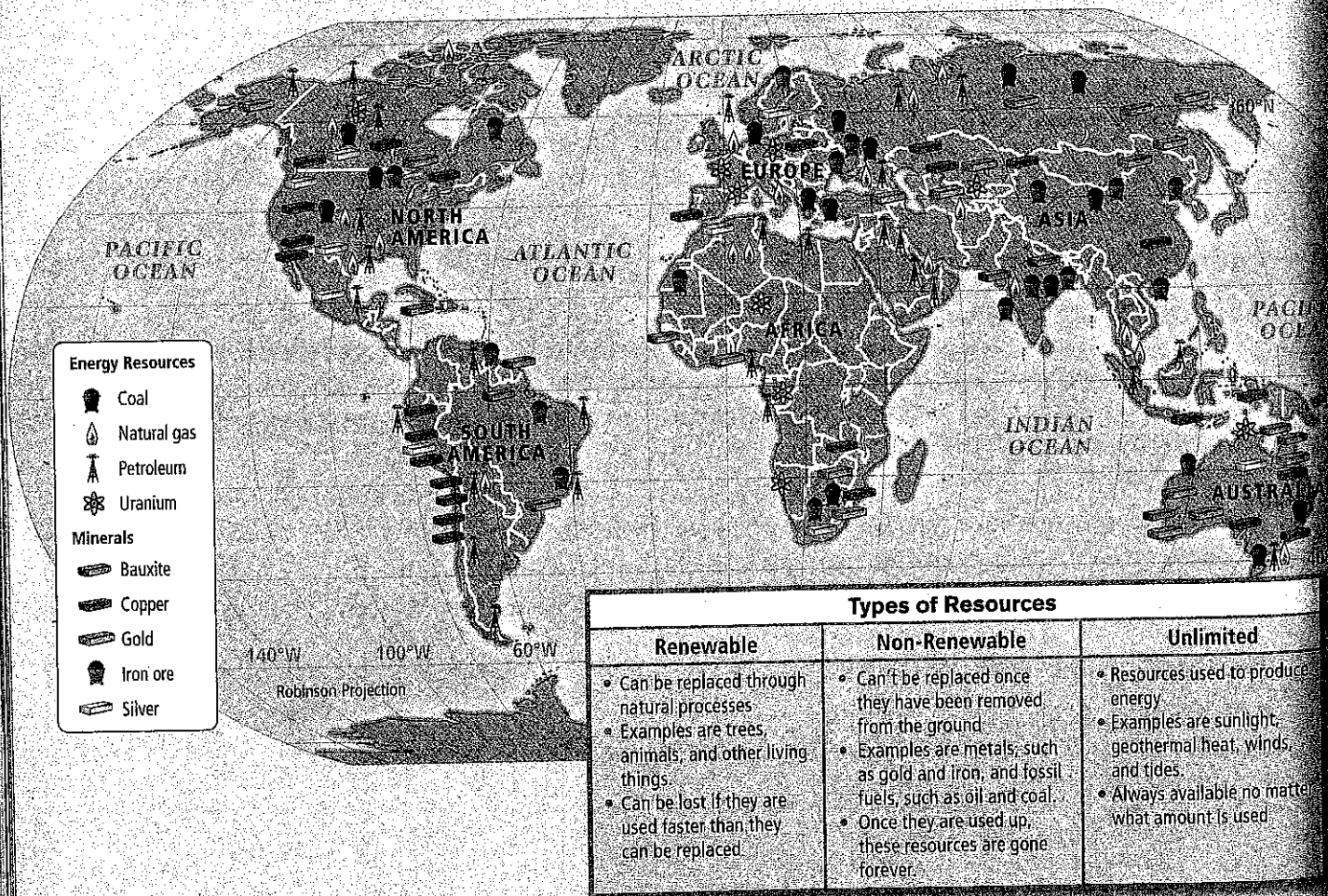


Geographers divide natural resources into three main categories: renewable, non-renewable, and unlimited. Renewable resources are those that nature can replace, such as trees or plants. Unlimited resources are things such as sunlight and wind—these never run out and often are used to produce energy. Non-renewable resources can't be easily replaced, so when they are used up, there aren't additional resources. Minerals and fuels like coal and oil fall into this category.

CATEGORIZE Identify three basic types of resources.

CONNECT Geography & Economics

Natural Resources The map below shows the location of some major non-renewable resources. When supplies of these resources are gone, countries relying on them for their economies will have to change their economic focus.



CRITICAL THINKING

Draw Conclusions Which of the three categories of natural resources are likely to be most desirable?

Economic Systems

KEY QUESTION What are the four basic economic systems?

An **economy** consists of the production and exchange of goods and services among a group of people. Economies exist at the local, regional, national, and international levels. **Economic systems** are different ways that people use resources to make and exchange goods and services.

Four basic economic systems are traditional, command, market, and mixed.

Traditional economy Goods and services are traded, but money is rarely exchanged. This process is called “barter” and is the oldest economic system. It is not used much today.

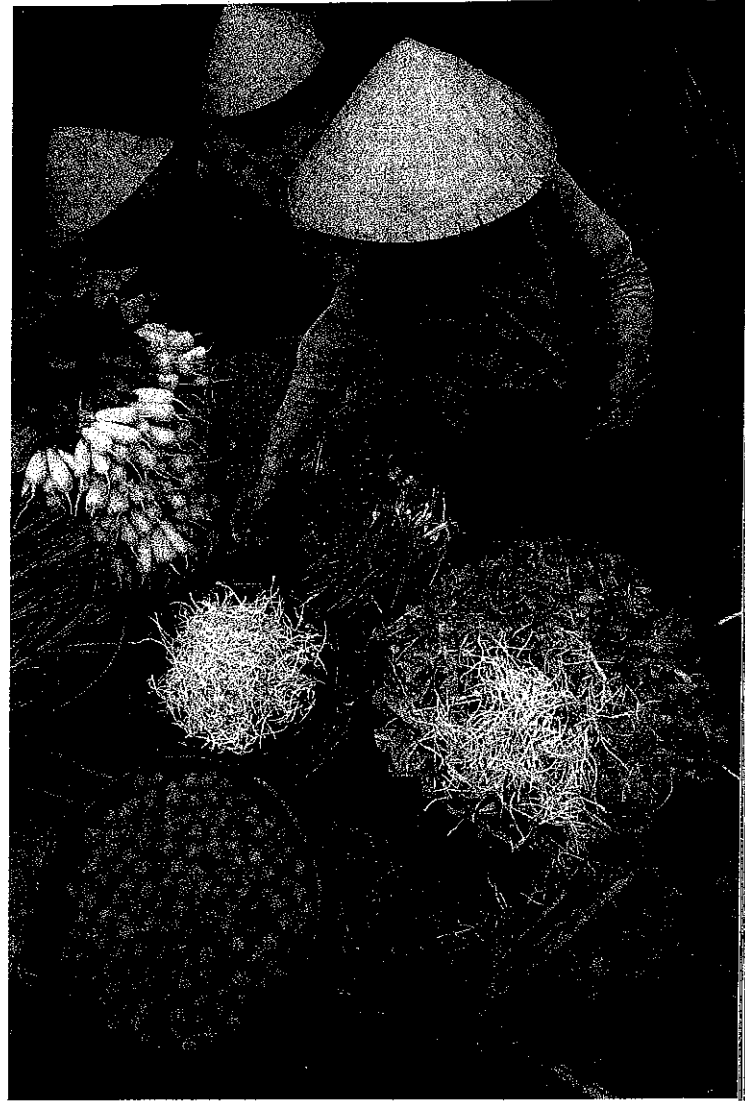
Command economy A **command economy** is one in which production of goods and services is decided by a central government. The government usually owns most of the resources and businesses that make the products or provide the services. This type of economy is also called a planned economy.

Market economy When the production of goods and services is determined by the supply and the demand of consumers it is called a **market economy**. It is also known as a demand economy, or capitalism. This is the type of economy found in the United States.

Mixed economy In this economy, a combination of command and market economies provides goods and services.

Economic activities are all the different ways that people make a living under these economic systems, including manufacturing, agriculture, fishing, and providing services. Some countries have a wide mix of economic activities while others may have only one or two main economic activities.

SUMMARIZE Name the four basic types of economic systems.



Food Market in Vietnam Supply and demand help determine which products will be sold. How is this market different from most food markets in the United States?

Measuring Economic Development

KEY QUESTION How is economic development measured?

To measure economic development, geographers may look at such figures as literacy, health information, life expectancy, or the value of a country's economy. One of the most important measures used is Gross Domestic Product (GDP). The **Gross Domestic Product (GDP)** measures the total value of all the goods and services produced in a country in a year. Countries are divided into two categories based on economic development: developing or developed nations.

Developing Nations These nations have low GDP and few economic activities. Many people raise food or animals to survive and have little or no machinery or advanced technology to do the work.

Developed Nations These nations have high GDP and many economic activities, especially business and information processing, and a lot of high-level technology. Food is grown on commercial farms, and most people work in offices and factories.

COMPARE Identify information used to measure development.

COMPARING Economic Development

Geographers use many different measurements to look at the development level of a country's economy. Here is a comparison of some developing nations and some developed nations.

◀ *Brazilian coffee bean worker*

	Status	GDP	GDP/ Person In US Dollars*	Infant Mortality (1000 Live Births)	Life Expectancy (At Birth)	Literacy Rate (Percent)
Burkina Faso	developing	5.4 billion	1,300	91.4	48.9	26.6
India	developing	719.8 billion	3,400	54.6	64.7	59.5
Uruguay	developing	13.2 billion	9,600	11.6	76.3	98.0
Germany	developed	2.8 trillion	30,400	4.1	78.8	99.0
Japan	developed	4.9 trillion	31,500	3.2	81.3	99.0
United States	developed	12.5 trillion	42,000	6.4	77.9	99.0

* official exchange rate

Source: CIA World Factbook, 2006

CRITICAL THINKING

Compare and Contrast How can you tell Uruguay has developed more than Burkina Faso?

World Trade

KEY QUESTION Why do countries trade with one another?

Early trade networks started because people who did not have certain resources, such as salt, wanted them. For trade to happen, nations usually have to give up some of their resources in exchange. Products or resources sold to other countries are called **exports**. Products or resources that come into a country are called **imports**. For example, U.S.-made mining equipment sold to Brazil is an export of the United States. Brazilian coffee sold to the United States is a U.S. import.

A country may choose to focus on producing only one or two products or resources and exclude other economic activities. This practice is called **specialization**. Countries specialize because it allows them to trade for products they can't produce themselves. For example, a country may sell cocoa beans or wheat or iron ore in exchange for machinery, or chemicals, or electronic goods. In general, developing nations specialize in **raw materials** or low-cost items, while developed nations sell high-level technology goods or services. This focus leads to interdependence between countries. When countries produce the same trade items, competition results.

FIND MAIN IDEAS Explain why nations trade.

Fun Facts!

OSTRICH MEAT EXPORTS

Chile is known for its major exports of copper, fruit, and paper. But it has added a new export—ostrich meat—that is bringing in more than 17 billion dollars per year. This nontraditional export is bringing money and jobs to Chile.

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Section 3 Assessment

TERMS & NAMES

1. Explain the importance of

- economic system
- Gross Domestic Product (GDP)
- export
- import

USE YOUR READING NOTES

2. Categorize Use your completed chart to answer the following question:

In which economic system are the production of goods and services determined by consumer demand?

ECONOMIC SYSTEMS			
Traditional	Market	Command	Mixed
1.	1.	1.	1.
2.	2.	2.	2.
3.	3.	3.	3.

KEY IDEAS

3. What is a natural resource?
4. What are the four basic economic systems?
5. What is the difference between an export and an import?

CRITICAL THINKING

6. **Summarize** How do geographers divide countries into developed and developing nations?
7. **Compare and Contrast** How are command and market economic systems different?
8. **CONNECT to Today** What natural resources are located in your area and how are they used?
9. **TECHNOLOGY** **Create a Multimedia Presentation** Use the Internet to study the imports and exports of the United States or another country. Plan a slide show about major exports and what countries buy them and major imports and what countries sell them.



Reading for Understanding

▶ Key Ideas

BEFORE, YOU LEARNED

People belong to specific groups that share a common culture.

NOW YOU WILL LEARN

Cultures do not remain the same but change over time.

▶ Vocabulary

TERMS & NAMES

agricultural revolution the shift from gathering food to raising food

innovation something new that is introduced for the first time

technology people's application of knowledge, tools, and inventions to meet their needs

diffusion the spread of ideas, inventions, and patterns of behavior from one group to another

cultural hearth an area where a culture originated and spread to other areas

BACKGROUND VOCABULARY

domestication the raising and tending of a plant or animal to be of use to humans

nomad a person who has no set home but moves from place to place in search of food for animals



Visual Vocabulary nomad group

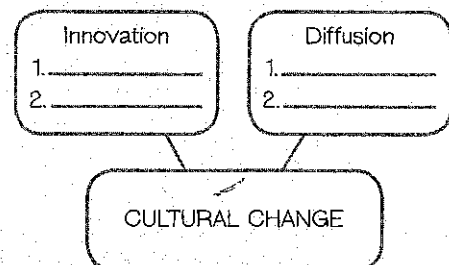
▶ Reading Strategy

Re-create the diagram at right. As you read and respond to the **KEY QUESTIONS**, use the diagram to analyze the causes and effects of cultural change.



Skillbuilder Handbook, page R8

ANALYZE CAUSE AND EFFECT



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How Does Culture Change?



1.02 Generate, interpret, and manipulate information from tools such as maps, globes, charts, graphs, databases, and models to pose and answer questions about space and place, environment and society, and spatial dynamics and connections.

3.03 Examine the development and use of tools and technologies and assess their influence on the human ability to use, modify, or adapt to their environment.

Connecting to Your World

Think about all the information and communication tools you have in your daily life. Did you include cell phones, mp3 players, DVDs, digital cameras, or laptop computers? When your parents were your age, none of these devices were available to them. These improvements in technology have changed the ways many people live their lives—and this change has taken place in only one generation. Cultural change happens much more rapidly now than it did in the past.



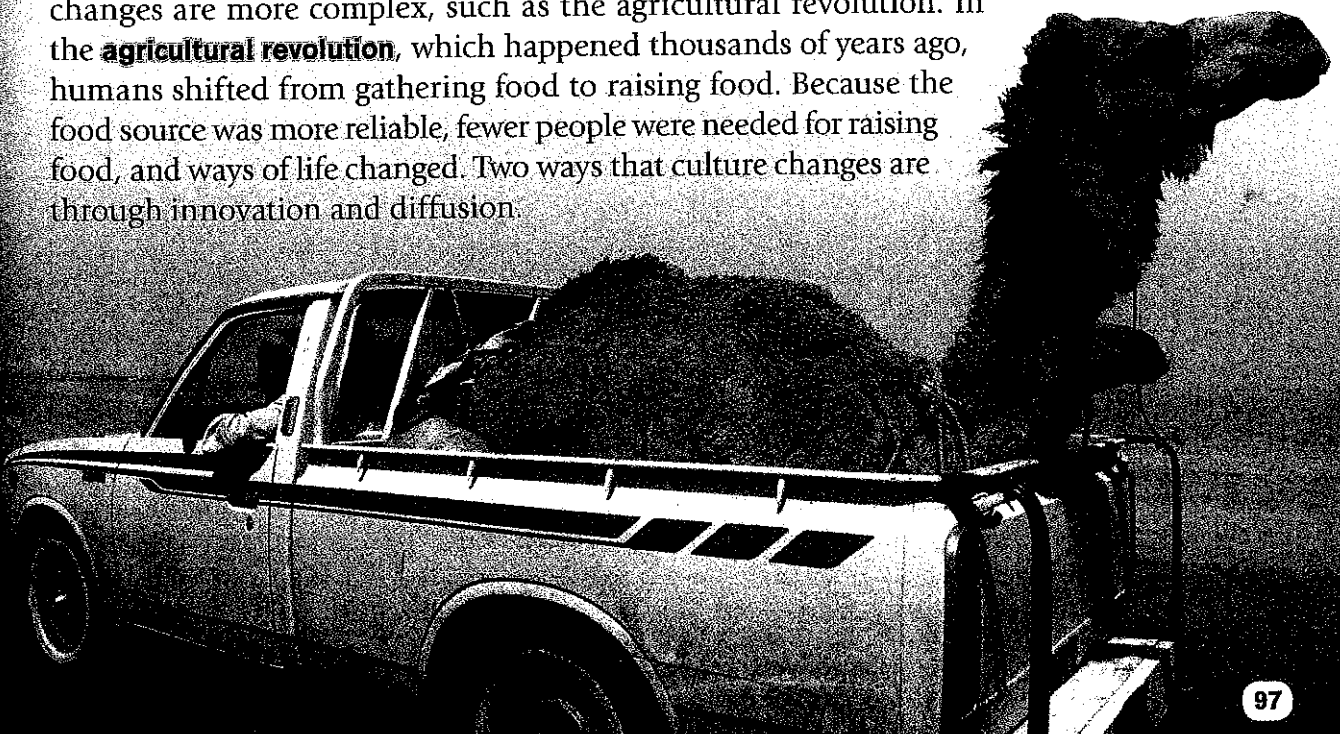
Zulu Girl, South Africa, with Cell Phone

Culture Change and Exchange

KEY QUESTION How does culture change?

Culture changes over time. The changes may be very slow or quite rapid. Some changes are simple, such as changes in clothing styles. Other changes are more complex, such as the agricultural revolution. In the **agricultural revolution**, which happened thousands of years ago, humans shifted from gathering food to raising food. Because the food source was more reliable, fewer people were needed for raising food, and ways of life changed. Two ways that culture changes are through innovation and diffusion.

Camels Go to Pasture Traditional ways are replaced by modern ones.



Innovation Something new that is introduced for the first time is called an **innovation**. New ideas, inventions, and patterns of behavior are types of innovations that change a culture. The computer is an example of an invention that changed cultures in the United States and around the world. Innovation may take place by accident, or it may be deliberate. The prehistoric control of fire was probably an accident, but it forever changed the way people lived. However, the use of existing resources and technology to solve an old or a new problem is a deliberate innovation. **Technology** refers to people's application of knowledge, tools, and inventions to meet their needs.

Some innovations can dramatically change the way people live. The domestication of wild plants thousands of years ago was such a change. **Domestication** means to raise or to tend plants or animals to be of use to humans. Dependence on agriculture resulted in more densely populated settlements.

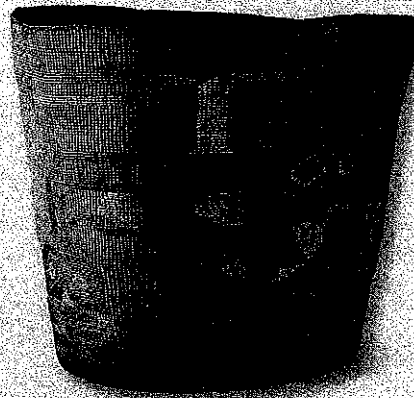
Like most cultural changes, the agricultural revolution led to other changes. These settled societies needed to be organized differently from groups of **nomads**, who had no set home but moved from place to place to find food for their animals. This led to more innovations. For example, people needed to find ways to water crops in the field and to store the food once harvested. Look at the pictures below to see how different cultures used the resources and technology available to them to solve a storage problem. New or different tools were also needed to farm the land.

COMPARING

Storage Unit Innovations



Clay Pot Where clay was plentiful, clay pots served as storage units. 1. What would be the advantage of a clay pot for storage?



Basket Woven grass or reeds created light, portable storage units. 2. Why would this material be used for storage?



Leather Bag Hides made into bags made storage units easy to transport. 3. What would be a disadvantage of this type of storage?

The Spread of Agriculture

The spread of agriculture is the most significant change in human history. Having available food year-round allowed people to settle and eventually to develop specialized labor and cities.

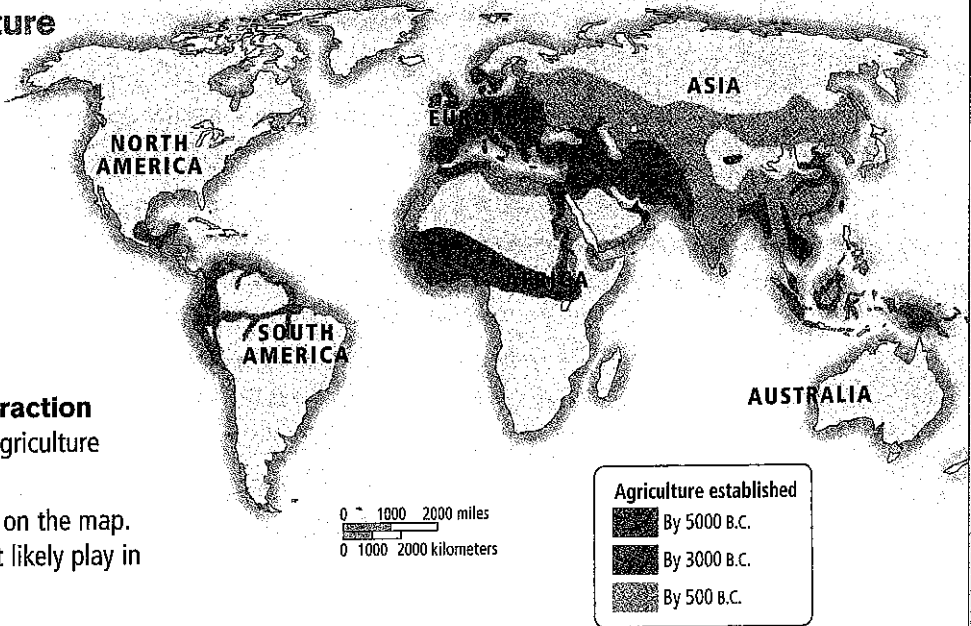
CRITICAL THINKING

1. Human-Environment Interaction

Which continent did not have agriculture established by 500 B.C.?

2. Region

Look for river valleys on the map. What role did river valleys most likely play in the spread of agriculture?



Diffusion The spread of ideas, inventions, and patterns of behavior from one group to another is called **diffusion**. Whenever a group of people comes in contact with another group, diffusion is possible.

The spread of agriculture is an early example of diffusion. The spread of U.S. fast-food restaurants around the world is a modern example. In early times, traders often brought new ideas and inventions to other cultures. Written language, the use of coins, and religious beliefs all moved along ancient trade routes. Missionaries and invaders also carried cultural elements with them.

Geographers study diffusion to see patterns in the development of cultures across the Earth's surface. One pattern they have observed is diffusion from cultural hearths. A **cultural hearth** is an area with an advanced culture from which ideas or technology spread. The map above shows where early cultural hearths existed.

In the past, the spread of culture was usually slow because of geographic barriers. Large bodies of water, mountains, or deserts often made it difficult for people to interact with others. Sometimes political boundaries limited contact between peoples. In today's world, it's almost impossible to avoid some kind of interaction with other groups of people. Satellite television, the Internet, and other forms of mass communication speed new ideas, practices, and inventions around the globe.

FIND MAIN IDEAS Identify the ways that culture changes.



Amish Transportation
Amish people choose not to drive automobiles, but use horse-drawn vehicles.

Accepting Cultural Change

KEY QUESTION Is cultural change always accepted?

Over time, people come in contact with different ideas, inventions, or patterns of behavior. If a cultural exchange takes place, the culture begins to change. Sometimes this change is slow, and people just become used to the change. When the effects of cultural change—such as a new food source or a tool—are positive, the lives of the group may improve.

But sometimes an innovation is unacceptable, such as use of lands or animals sacred to a group. Sometimes a group may need to decide if the change would help or harm their society. For example, in the United States, the Amish choose not to drive cars, not to have electricity in their homes, and to send their children to private, one-room schoolhouses. They do this because they reject the impact of modern life on their way of life.

Change may sometimes be forced on a group. This often happens when a region is invaded. For example, Spanish conquerors pressed their culture on the native peoples of the Americas in the 1500s.

MAKE GENERALIZATIONS Explain why some cultural changes might be rejected.

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Section 2 Assessment

TERMS & NAMES

1. Explain the importance of

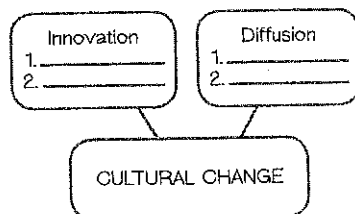
- innovation
- technology
- diffusion
- cultural hearth

USE YOUR READING NOTES

2. Analyze Cause and Effect

Use your completed web diagram to answer the following question:

What role do cultural hearths play in changing cultures?



KEY IDEAS

3. What are two ways that bring about cultural change?
4. How does deliberate innovation take place?
5. What three groups helped to spread culture in earlier times?

CRITICAL THINKING

6. **Make Inferences** What are some reasons why a group may accept cultural change?
7. **Draw Conclusions** How has mass communication changed the way culture spreads?
8. **CONNECT to Today** How has the United States been affected by cultural exchange in recent times?
9. **TECHNOLOGY** **Make a Multimedia Presentation**
Plan a power presentation slide show illustrating three inventions in transportation and three in communication that brought cultural change. Each slide should have a visual of the invention and a description of the change.