



Changing Economic World

The North-South Divide in the UK

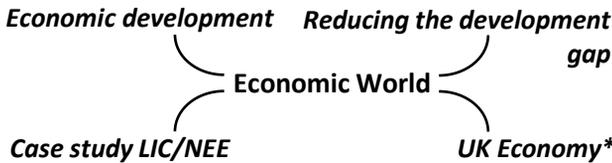


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The Big Picture



The North-South Divide

The north-south divide refers to economic, social, and cultural differences between southern England (London and the South East) and northern regions (North East, North West, and Yorkshire & Humber). The South generally has higher incomes, better infrastructure, and more job opportunities, while the North has experienced deindustrialisation and lower wages.



Causes of the Divide

- **Industrial Decline:** Northern cities thrived during the Industrial Revolution but struggled after manufacturing declined.
- **Service Industry Growth:** London became a hub for finance and technology, attracting investment.
- **Infrastructure Investment:** The South has more developed transport networks and business hubs.



Impacts of the Divide

- **Economic Output:** London and the South East generate significantly higher GDP per capita.
- **Employment Rates:** Higher-paid jobs are more common in the South, while unemployment is higher in the North.
- **Wages & Living Standards:** Salaries, house prices, and services are better in the South.
- **Infrastructure:** The South has better roads, rail links, and major airports.



Reducing the Divide

1. The Northern Powerhouse

Aims to boost the northern economy by:

- ✓ Attracting business investment in digital and creative industries.



Key Terms



Deindustrialisation: Decline of traditional industries in northern areas.



Economic Disparity: Differences in income and job availability between regions.



Devolution: Transfer of powers to regional governments.



Enterprise Zones: Areas with tax incentives to attract businesses.



Improving transport links between cities like Manchester, Leeds, and Liverpool.

2. Devolution of Powers



Local governments in **Manchester, Liverpool, and Sheffield** manage budgets and planning.



Investment in **skills training, housing, and transport improvements**.

3. Transport Upgrades



High Speed 2 (HS2): Planned to connect London to the North, but northern extensions were cancelled.



Northern Powerhouse Rail (Proposed): Aims to link major northern cities for better connectivity.

4. Local Enterprise Partnerships (LEPs)



Create **jobs** and support **business growth**.



Strengthen links between **universities and industries**.

5. Enterprise Zones



Offer **tax breaks and financial incentives** to attract businesses.



Promote investment in **manufacturing, tech, and creative industries**.



Why Does The Divide Matter?

The north-south divide limits economic growth and social mobility. Government investment in transport, business, and regional development is essential for a more balanced economy across the UK.