Development & Industry Notes

Development
Extent to which human/natural resources in an area/country have been brought into full productive use

Vs underdevelopment
Possibility or desirability of applying additional capital, labor, or tech to resource base to permit the present pop to improve material well-being

Developed countries often located in the “north” according to Brandt Report
Most in temperate or “snow belt” zones vs “south” in tropical latitudes/arid zones
Is the whole country really developed?

Economic indicators of development
GDP
Types of jobs
Primary sector
Directly extracts or harvests resources from the earth
Secondary sector
Activity that transforms raw materials into usable products, adding value in the process
Tertiary sector
Activity that links primary & secondary sectors to consumers/other businesses by selling goods or performing services. Includes both retail & business (producer) services
*Quaternary sector
highly skilled information based services; usually includes management

productivity
consumer goods

Social Indicators
Education/literacy
Health/welfare

Demographic Indicators
Life expectancy
Infant mortality rates
Natural increase rate (NIR)
Crude birth rate (CBR)

Rostow’s Model of Development
See handout
Problem:
WHAT IF YOU DON’T HAVE RAW MATERIALS TO PROCESS/SELL?

Wallersteins’ World Systems Theory (aka Core-Periphery Model)
3 Tier Structure to explain interconnections b/t places & the global economy
model of econ dev over time/space consisting of an UNEVEN POWER RELATIONSHIP b/t rich, productive, innovative (core region) and poor & dependent (periphery)

Core
Countries w strong economies, large econ productivity, high per capita GDP
Seen as MDCs

Semi-periphery-
middle income, newly industrialized countries w median standards of living
offers citizens relatively diverse economic opportunities

Periphery
Countries with low levels of economic productivity, low per capita income & generally low standards of living

Dependency Model
Over time, MDCs have exploited & subjugated other populations & regions to secure for themselves a continual source of new capital
Transfer of wealth from periphery to core continues to fuel growth in some places at the expense of others
Rooted in colonialism, slave trade, imperialism, neocolonialism
Currently dominated by transnational corps that introduce tech/production facilities to further private corp goals rather than balancing the development of recipient economies
development aid involves a forced econ reliance on donor countries

Self-Sufficiency Model
Governments will protect emerging industries (tariffs/subsidies) from competition with international corporations

Industrialization
Process of shifting from handmade goods to machine made goods
Begin 17th/18th c
Starts in Great Britain
Political/economic stability
Access to trade/ports/raw materials
Culture
Slowly spreads to continental Europe, USA, Asia
Textile industry sets the precedent for other industries
Leads to desire for raw materials in new places
Imperialism
Neo-colonialism
Economic dominance of core countries over former colonies

Industrial economy
Large domestic corps
Food processing, heavy equipment manufacturing, energy products

Post-Industrial economy
Late 20th/21st c
Huge transnational corps
Localized agglomerations producing and/or using IT & telecom
Greater employment in tertiary & quaternary services

Globalization
Without regard for borders:
Increases interactions
Deepens relationships
Heightens interdependence
Based on trade
Does it help all parties?
China: Factory to the World?
Increases gap b/t wealthy/poor
Gini Coefficient
Environmental impact?
Impact on traditional cultures?
outsourcing

Situation Factors
Locations chosen based on their proximity to something else
Historically made sense
Transportation makes it less important
Bulk-reducing vs bulk gaining industries
Footloose industries
Can be placed anywhere without affecting resources/transport
(classic examples: computer chips & diamonds)

Break of Bulk Point

Weber’s Least Cost Analysis
Location of manufacturing establishments is determined by the minimization of 3 critical expenses:
Labor
Transportation
Agglomeration
Businesses that benefit from proximity bc they share skilled labor pools, technological & financial amenities

See handout

Hierarchy of business services
World City
Primate City
Largest settlement has more than twice the number of people in the country’s second ranking settlement

Rank-Size Rule
The country’s nth largest city is 1/n the population of the largest settlement
(second largest city is ½ the size of the largest city, fourth largest city is ¼ the size of the largest city)
Sometimes no obvious 2nd city

Connectivity
Transportation model
Borchert’s Epochs of Urban Transport
Leads to edge/galactic city models

Service economy
Less tied to energy sources
Most don’t need to be near markets due to telecommunications
Partially a result of deindustrialization
Negatively affected by outsourcing