

VI. Industrialization and Economic Development

Tuesday, May 2, 2017 8:13 AM

Enduring Understandings	Learning Objectives	Essential Knowledge
A. The Industrial Revolution , as it diffused from its hearth, facilitated improvements in standards of living	Explain the role of the Industrial Revolution in the growth and diffusion of industrialization	Industrialization began in response to new technologies and was facilitated by the availability of natural resources (e.g., water power, coal, iron ore)
		The diffusion of industrialization led to growing populations and increased food supplies , which freed workers to seek industrial jobs in cities
		Increased industrialization led to demands for raw materials and the search for new markets and was a factor in the rise of colonialism and imperialism
	Identify the different economic sectors	The economy consists of primary, secondary, tertiary, quaternary, and quinary sectors
	Use Weber’s model to explain industrial location	Alfred Weber’s model of industrial location emphasized the owner’s desire to minimize transportation and labor costs and maximize agglomeration economies
B. Measures of development are used to understand patterns of social and economic differences at a variety of scales	Explain social and economic measures of development	Measures of social and economic development include Gross National Income (GNI) per capita , sectoral structure of an economy, income distribution, fertility rates, infant mortality rates, access to health care , and literacy rates
		Measures of gender inequality include reproductive health , indices of empowerment , and labor-market participation
		The Human Development Index (HDI) is a composite measure used to show spatial variation in levels of development
	Analyze spatial patterns of economic and social development	Models like Rostow’s Stages of Economic Growth and Wallerstein’s World System Theory help explain spatial variations in development
		The U.N. Millennium Development Goals help measure progress in development
		In contrast to the periphery and semiperiphery , the core countries achieved dominance through industrial production of goods
	Evaluate the role of women in economic development and gender equity in the workforce	Although there are more women in the workforce, they do not have equity in wages or employment opportunities
	Microloans have provided opportunities for women to create small local businesses, which have improved standards of living	
C. Development is a process that varies across space and time	Analyze the causes and consequences of international trade and growing interdependence in the world economy	Complementary and comparative advantage establish the basis for trade
		International trade and trading blocs (e.g., EU and NAFTA) have

		become more important as a result of globalization
		Geographies of interdependence in the world economy include global financial crises, the shift in manufacturing to newly industrialized countries , imbalances in consumption patterns, and the roles of women in the labor force
	Explain how economic restructuring and deindustrialization are transforming the contemporary economic landscape	Outsourcing and economic restructuring have led to a decline in jobs in manufacturing regions and to the relocation of a significant segment of the workforce to other areas
		In countries outside the core, the diffusion of industry has resulted in the emergence of the international division of labor and manufacturing zones (e.g., maquiladoras , special economic zones , free trade zones)
		The contemporary economic landscape has been transformed by the emergence of service sectors , high technology industries , and growth poles (e.g., Silicon Valley and the Research Triangle in the U.S.)
		Government initiatives at all scales may help promote economic development
D. Sustainable development is a strategy to address resource depletion and environmental degradation	Analyze sustainability issues related to industrialization and development	Sustainable development addresses issues of natural resource depletion, mass consumption, the costs and effects of pollution , and the impact of climate change, as well as issues of human health, well-being, and social and economic equity
		Ecotourism is a strategy used by some countries to help protect the environment and generate jobs

From <<https://sites.google.com/a/lphs.org/lphumangeo/unit-vi---industrialization-and-rural-land-development>>

Industrial Revolution	the term applied to the social and economic changes in agriculture, commerce and manufacturing that resulted from technological innovations and specialization in late-eighteenth-century Europe.
location theory	a logical attempt to explain the locational pattern of an economic activity and the manner in which its producing areas are interrelated. The von Thunen model is a leading example.
least cost theory	Model developed by Alfred Weber according to which the location of the manufacturing establishments is determined by the minimization of three critical expenses: labor, transportation, and agglomeration.
agglomeration	a process involving the clustering or concentrating of people or activities. The term often refers to manufacturing plants and businesses that benefit from close proximity because they share skilled-labor pools and technological and financial amenities.
deglomeration	the process of industrial deconcentrating in response to technological advances and/or increasing costs due to congestion and competition.
break-of-bulk point	A location along a transport route where goods must be transferred from one carrier to another. In a port, the cargoes of oceangoing ships are unloaded and put on trains, trucks, or perhaps smaller riverboats for inland distribution.
Fordist	A highly organized and specialized system for organizing industrial production and labor. Named after automobile producer Henry Ford, this type of production features assembly-line production of standardized components for mass consumption.

just-in-time delivery	Method of inventory management made possible by efficient transportation and communication systems, whereby companies keep on hand just what they need for near-term production, planning that what they need for longer-term production will arrive when needed.
intermodal connections	Places where two or more modes of transportation meet (including air, road, rail, barge, and ship).
deindustrialization	Process by which companies move industrial jobs to other regions with cheaper labor, leaving the region to switch to a service economy and to work through a period of high unemployment.
offshore	With reference to production, to outsource to a third party located outside of the country.
Sunbelt	The South and Southwest regions of the United States
Technopole	Centers or nodes of high-technology research and activity around which a high-technology corridor is sometimes established.
distance decay	The effects of distance on interaction, generally the greater the distance the less interaction.
locational interdependence	theory developed by economist Harold Hotelling that suggests competitors, in trying to maximize sales, will seek to constrain each other's territory as much as possible which will therefore lead them to locate adjacent to one another in the middle of their collective customer base
primary industrial regions	Western and Central Europe; Eastern North America; Russia and Ukraine; and Eastern Asia, each of which consists of one or more core areas of industrial development with subsidiary clusters
post-fordist	world economic system characterized by a more flexible set of production practices in which goods are not mass-produced; instead, production has been accelerated and dispersed around the globe by multinational companies that shift production, outsourcing it around the world and bringing places

	closer together in time and space than would have been imaginable at the beginning of the twentieth century
global division of labor	phenomenon whereby corporations and others can draw from labor markets around the world, made possible by the compression of time and space through innovation in communication and transportation systems
outsourced	with reference to production, to turn over in part or in total to a third party
friction of distance	the increase in time and cost that usually comes with increasing distance

From <<https://www.quia.com/jg/2803534list.html>>

Development Vocabulary

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commodity chain	Series of links connecting the many places of production and distribution and resulting in a commodity that is then exchanged on the world market.
developing	With respect to a country, making progress in technology, production and socioeconomic welfare.
gross national product (GNP)	The total value of all goods and services produced by a country's economy in a given year. It includes all goods and services produced by corporations and individuals of a country, whether or not they are located within the country.
gross domestic product (GDP)	The total value of all goods and services produced within a country during a given year.
gross national income (GNI)	Calculates the monetary worth of what is produced within a country plus income received from investments outside the country.
per capita GNI	The GNI divided by the population of the country.
formal economy	The legal economy that is taxed and monitored by a government and is included in a government's GNP; as opposed to an informal economy.
informal economy	Economic activity that is neither taxed nor monitored by a government; and is not included in that government's GNP; as opposed to a formal economy.
modernization model	A model of economic development most closely associated with the work of economist Walter Rostow. The modernization model (sometimes referred to as modernization theory) maintains that all countries go through five interrelated stages of development, which culminate in an economic state of self-sustained economic growth and high levels of mass consumption.
context	The geographical situation in which something occurs; the combination of what is happening at a variety of scales concurrently.
neocolonialism	The entrenchment of the colonial order, such as trade and investment, under a new guise.
structuralist theory	A general term for a model of economic development that treats economic disparities among countries or regions as the result of historically derived power relations within the global economic system.
dependency theory	A structuralist theory that offers a critique of the modernization model of development. Based on the idea that certain types of political and economic relations (especially colonialism) between countries and regions of the world have created arrangements that both control

	and limit the extent to which regions can develop.
dollarization	When a poorer country ties the value of its currency to that of a wealthier country, or when it abandons its currency and adopts the wealthier country's currency as its own.
world-systems theory	Theory originated by Immanuel Wallerstein and illuminated by his three-tier structure, proposing that social change in the developing world is inextricably linked to the economic activities of the developed world.
three tier structure	With reference to Immanuel Wallerstein's world-systems theory, the division of the world into the core, the periphery, and the semi-periphery as a means to help explain the interconnections between places in the global economy
Millennium Development Goals	A declaration with the goal of improving the living conditions of people in the least developed countries. The goals were: (1) eradicate extreme poverty and hunger, (2) achieve universal primary education, (3) promote gender equality and empower women, (4) reduce child mortality, (5) improve maternal health, (6) combat HIV/AIDS, malaria, and other diseases, (7) ensure environmental sustainability, (8) develop a global partnership for development.
trafficking	When a family sends a child or an adult to a labor recruiter in hopes that the labor recruiter will send money, and the family member will earn money to send home.
structural adjustment loans	Loans granted by international financial institutions such as the World Bank and the International Monetary Fund to countries in the periphery and the semi-periphery in exchange for certain economic and governmental reforms in that country (e.g. privatization of certain government entities and opening the country to foreign trade and investment).
neoliberalism	Derives from the idea that government intervention into markets is inefficient and undesirable, and should be resisted wherever possible. Popular during the late twentieth century, structural adjustment loans were often part of neoliberalism.
export processing zones (EPZs)	Zones established by many countries in the periphery and semi-periphery where they offer favorable tax, regulatory, and trade arrangements to attract foreign trade and investment
maquiladoras	The term given to zones in northern Mexico with factories supplying manufactured goods to the U.S. market. The low-wage workers in the primarily foreign-owned factories assemble imported components and/or raw materials and then export finished goods
special economic zone	Specific area within a country in which tax incentives and less stringent environmental regulations are implemented to attract

(SEZ)	foreign business and investment
NAFTA	Agreement entered into by Canada, Mexico, and the United States in December, 1992 and which took effect on January 1, 1994, to eliminate the barriers to trade in, and facilitate the cross-border movement of goods and services between the countries.
desertification	The encroachment of desert conditions on moister zones along the desert margins, where plant over and soils are threatened by desiccation--through overuse, in part by humans and their domestic animals, and, possibly, in part because of inexorable shifts in the Earth's environmental zones.
island of development	Place built up by a government or corporation to attract foreign investment and which has relatively high concentrations of paying jobs and infrastructure.
nongovernmental organizations (NGOs)	International organizations that operate outside of the formal political arena but that are nevertheless influential in spearheading international initiatives on social, economic, and environmental issues.
microcredit program	Program that provides small loans to poor people, especially women, to encourage development of small businesses.

From <<https://www.quia.com/jg/2801281list.html>>

Types of Economic Activity



Primary

Definition: Taking things directly from the ground

Examples: farming, mining, fishing

Predominant in: LDCs (Periphery)

Secondary

Definition: Refinement of the products taken from the primary sector

Examples: manufacturing, cooking

Predominant in: LDCs (Semi-periphery)

Tertiary

Definition: Services related to products

Examples: sales, bankers, doctors

Predominant in: MDCs (Core)

Sometimes the tertiary sector is split into three sections, thus creating two higher levels.

Quaternary

Definition: Processing of info and finances

Examples: legal services, insurance

Quinary

Definition: Specialized or technical knowledge

Examples: scientific research, CEOs

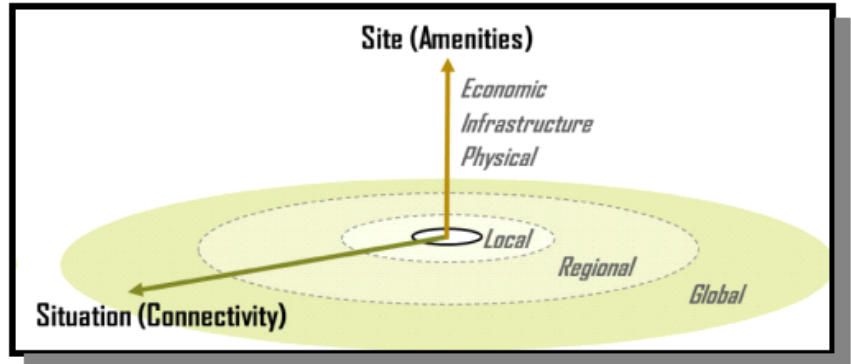
Think: Take me, Make me, Sell me.

Industrial Location Theories

There are many theories as to where industries will be located, but let's start this by talking about the main two types of cost factors for an industry: site factors and situation factors.

~ **Site factors:** land, labor and capital. These are the unique costs of locating in a place.

~ **Situation factors:** has to do with the cost of transporting raw materials to the factory and the finished product to the market.



Alfred Weber – Least Cost Theory

Three factors determine where industries are located

- 1) Transportation costs (Most Important)
- 2) Labor availability
- 3) **Agglomeration** (the clustering of industries)

Transportation costs depend greatly on weight of material

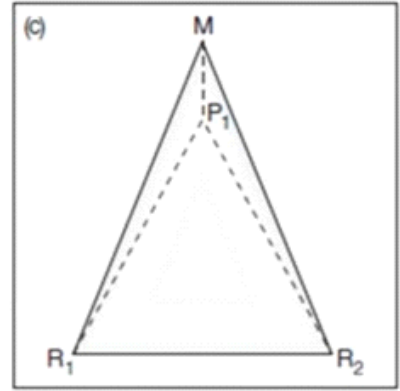
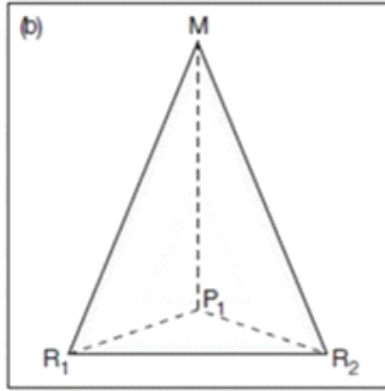
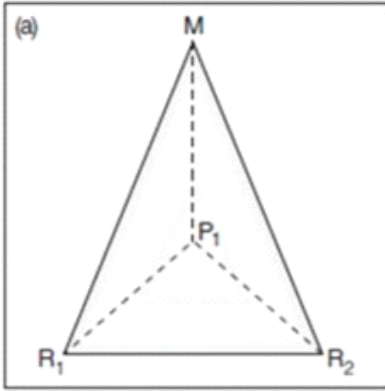
Bulk-reducing industry

The end product weighs less than the raw materials
Factory closer to the raw materials than market
Example: Steel

Bulk-gaining industry

The end product weighs more than the raw materials
Factory closer to the market than raw materials
Example: Soda bottling



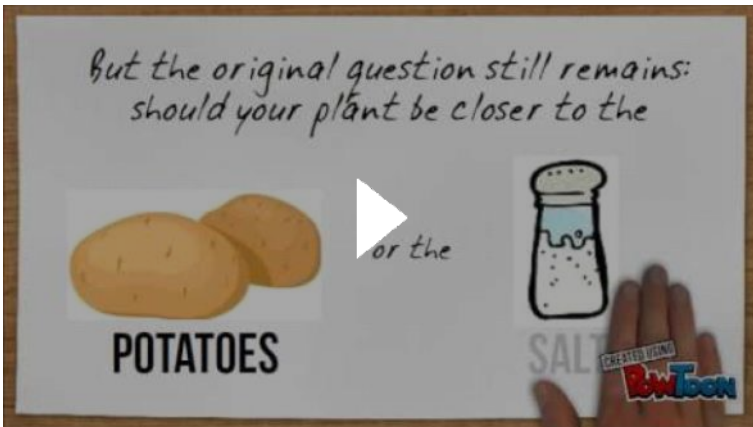


M = Market (pasar)
 R₁R₂ = Raw materials (bahan mentah).
 P₁ = Lokasi berbiaya terendah.

[Weber's Least Cost Theory AP HUG](#)



[Weber's Least Cost Theory](#)



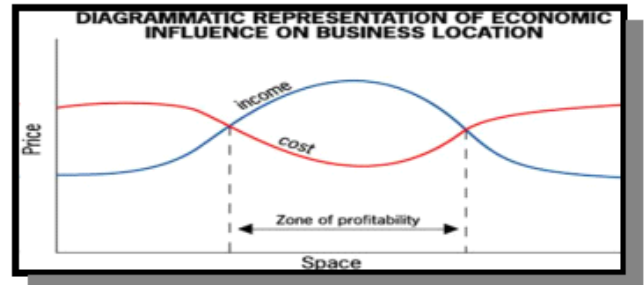
Harold Hotelling - Local Independence

Hotelling was discussing linear markets (a market that exists in a straight line like a street). His theory is that if two businesses of equal quality were located along a North-South street, then the people would go to whoever is closest.

In order to guard against each other getting more than half of the customers, Hotelling theorized that the vendors would end up right next to each other in the dead center of the street, each servicing half the customers to the North or South.

August Losch - Zone of Profitability

Losch, meanwhile, championed the idea that there is a section of space where industry can make money based on consumer demand and spatial influence. They will place their businesses in that zone of profitability.



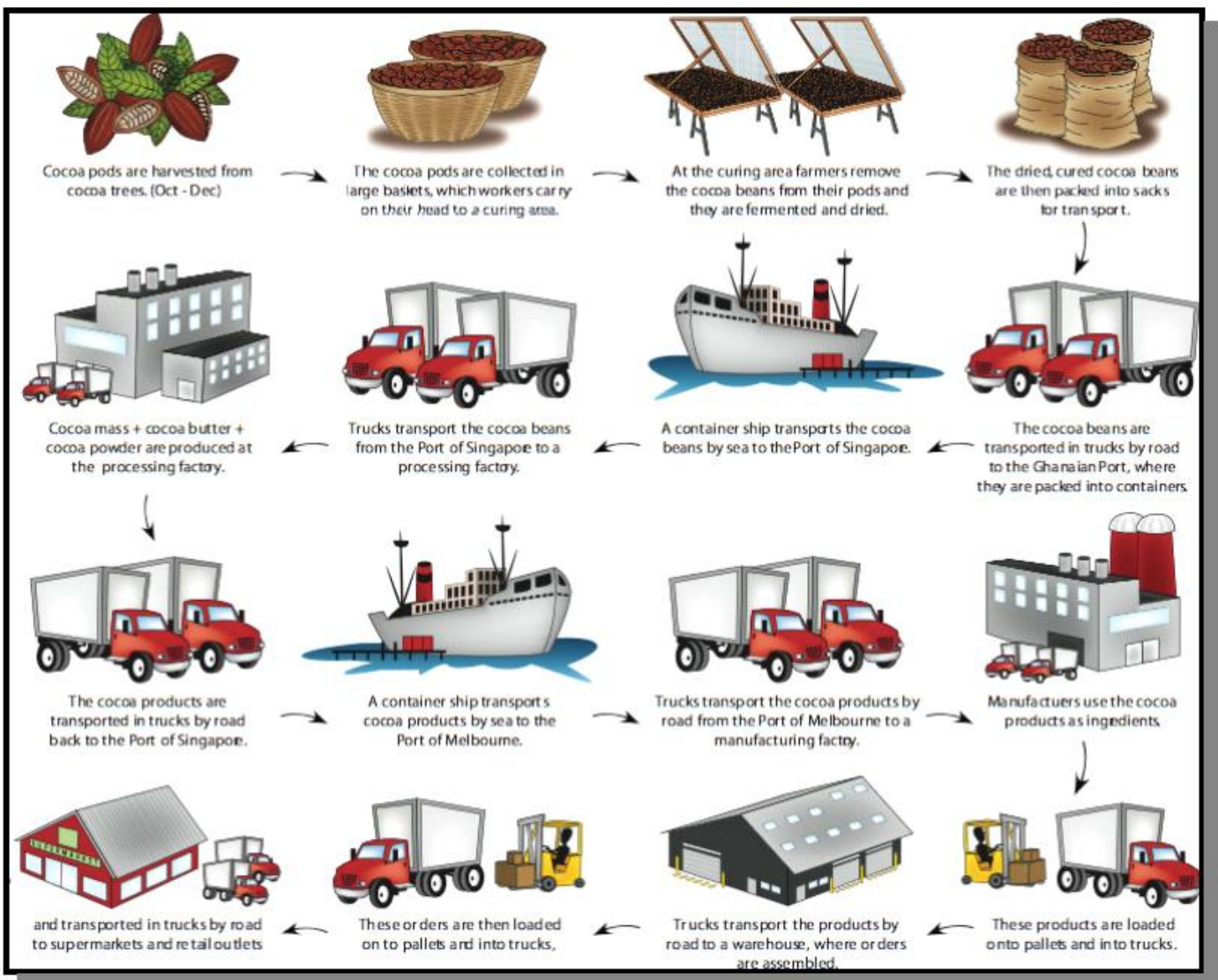
Commodity Chains

Key terms:

- ~ **Commodity:** an item produced to satisfy wants or needs
- ~ **Commodity chain:** the path a commodity travels from producers to consumers

The Cocoa Commodity Chain

The Cocoa Commodity Chain



Other terms worth noting:

- ~ **Footloose industries:** industries where the transportation cost of the product is not significant to the placement of the industry
Examples: catalogs, diamonds and computer chips

- ~ **Outsourcing:** transferring industrial processes to another firm to reduce labor costs
Examples: usually done in secondary, manufacture related activities

- ~ **Offshoring:** Moving business activity to an international location to lessen tax burden
Example: Nike

Transportation Modes

Trucks - Often used for in country shipping



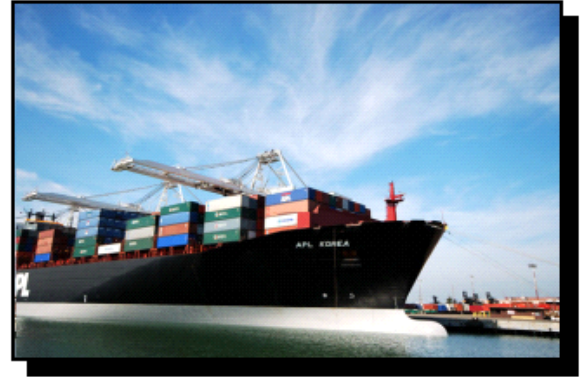
PROS

- ~ More freedom of destination
- ~ High speed
- ~ Very common mode of transportation
- ~ Used to ship to and from airports/ports

CONS

- ~ High fuel costs
- ~ High pollution
- ~ Only land transportation
- ~ Least amount of cargo per vehicle

Boats - Used for long trips over water



PROS

- ~ Can carry vary high amounts of cargo
- ~ Can make long trips
- ~ No set route
- ~ Can travel on water

CONS

- ~ Can't ship over land
- ~ Very slow
- ~ Pollution
- ~ Expensive to maintain

Trains - Used to move large cargo over land



PROS

- ~ Carries very high amounts of cargo
- ~ Fast long distance transportation
- ~ Cheapest cost of fuel

CONS

- ~ Requires rails
- ~ Very high maintenance costs
- ~ Pollution
- ~ Only land

Planes - Used for long distance at high speed



PROS

- ~ Fastest transportation mode
- ~ Travels over land and water
- ~ Can carry large amounts of cargo

CONS

- ~ Expensive maintenance and fuel
- ~ Pollution
- ~ Requires airports
- ~ Need more educated workforce

EPZs, SEZs & Maquiladoras

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An **Export Processing Zone** (EPZ) is also known as a Free Trade Zone. This is an area where the government creates specialized policies and desirable investment/manufacturing conditions to attract businesses.

What it looks like:

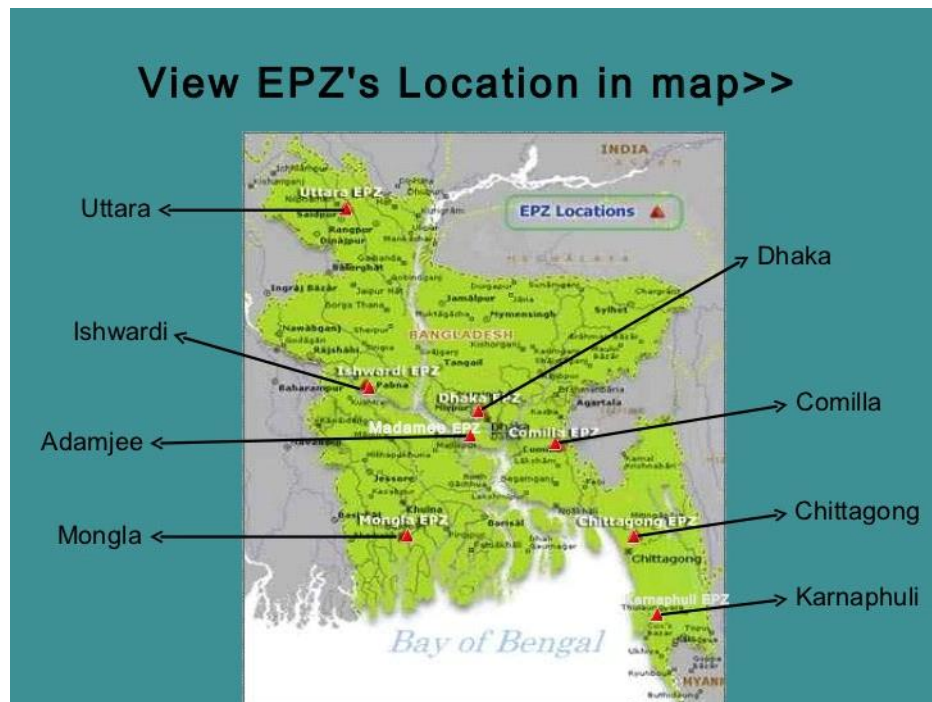
- ~ Duty free, simplified customs
- ~ Trade unions prohibited
- ~ Access to transportation and communication networks
- ~ Accessible facilities
- ~ Relaxed environmental restrictions
- ~ Readily available cheap workforce
- ~ Women strong majority of labor force

PROS:

- ~ Attract foreign investment
- ~ Nontraditional exports
- ~ Can generate jobs

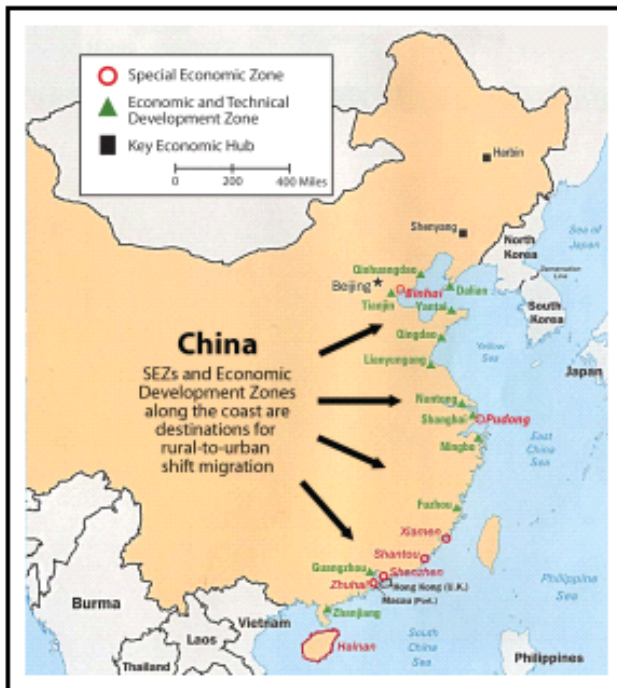
CONS:

- ~ Can create uneven development by concentrating resources





Special Economic Zones



Special Economic Zones (SEZs) are EPZs of China as part of an experimental policy to create more open, market-oriented economy.

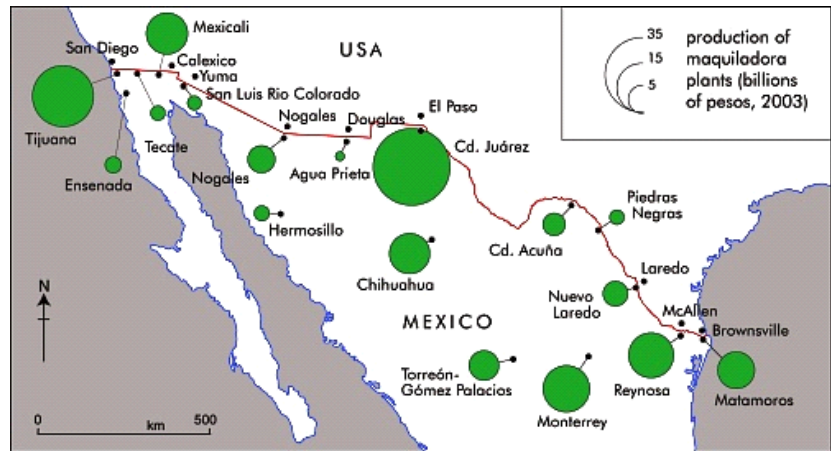
They are used to attract foreign investment with tax holidays, exemptions from duties on imported and exported goods and reduced property rates. The SEZs tend to be larger than a typical EPZ.

The red circles in the map to the left mark the SEZs in China, and as you can see, they tend to cluster around the coast.

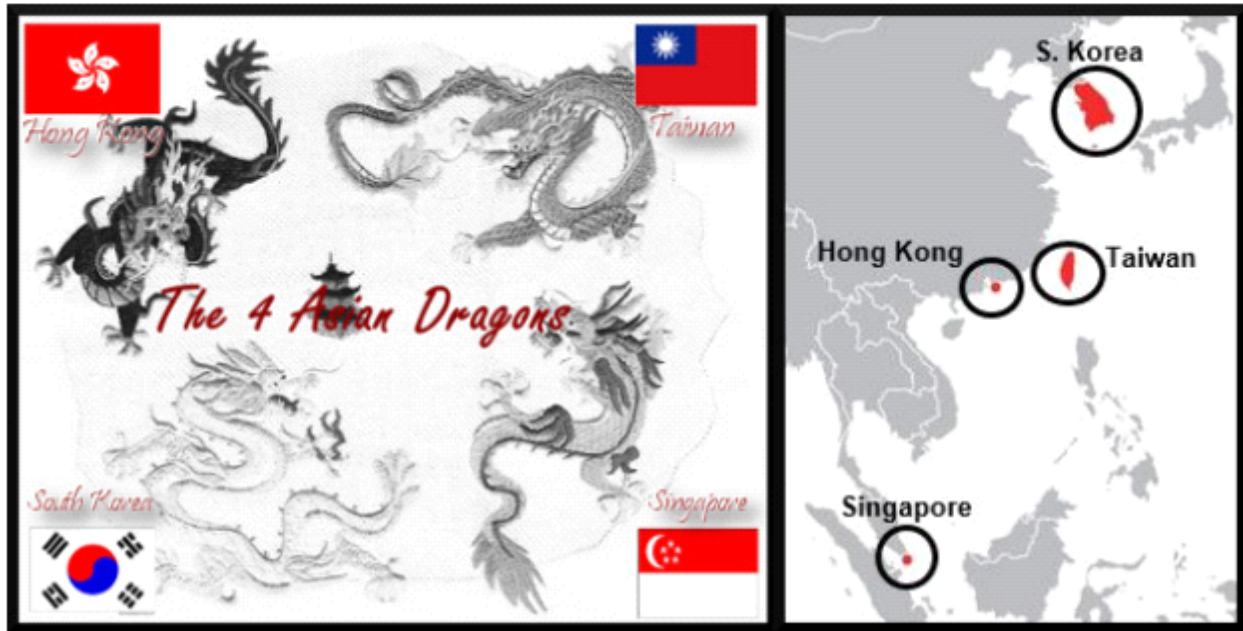
Maquiladoras

A **maquiladora** is a foreign-owned manufacturing plant that gets duty-free materials to assemble/process then export. They are part of a government strategy to alleviate unemployment along U.S. borders and disperse some industry away from Mexico City.

- ~ Basically an EPZ of 1 factory
- ~ Can be found in Mexico, Latin America and Caribbean
- ~ Surged after NAFTA
- ~ U.S. Economic slump in 2001 hurt maquiladoras



The Four Asian Tiger and Four Little Tigers



Four Asian Tigers (Dragons)

- ~ All of these places have a great work force, meaning they are trained or educated
- ~ Every single country has very high consistent populations
- ~ All of these areas also have cities which developed industries on a wide scale
- ~ Industries consist of a wide range of things like clothes up to electronics
- ~ The Tigers are basically place that have economies that are doing very well because of all the trade that they do with other countries
- ~ South Korea's HDI is so high, it almost has be considered an MDC by this point

Four Little Tigers



**Malaysia
Vietnam
Indonesia
The Philippines**

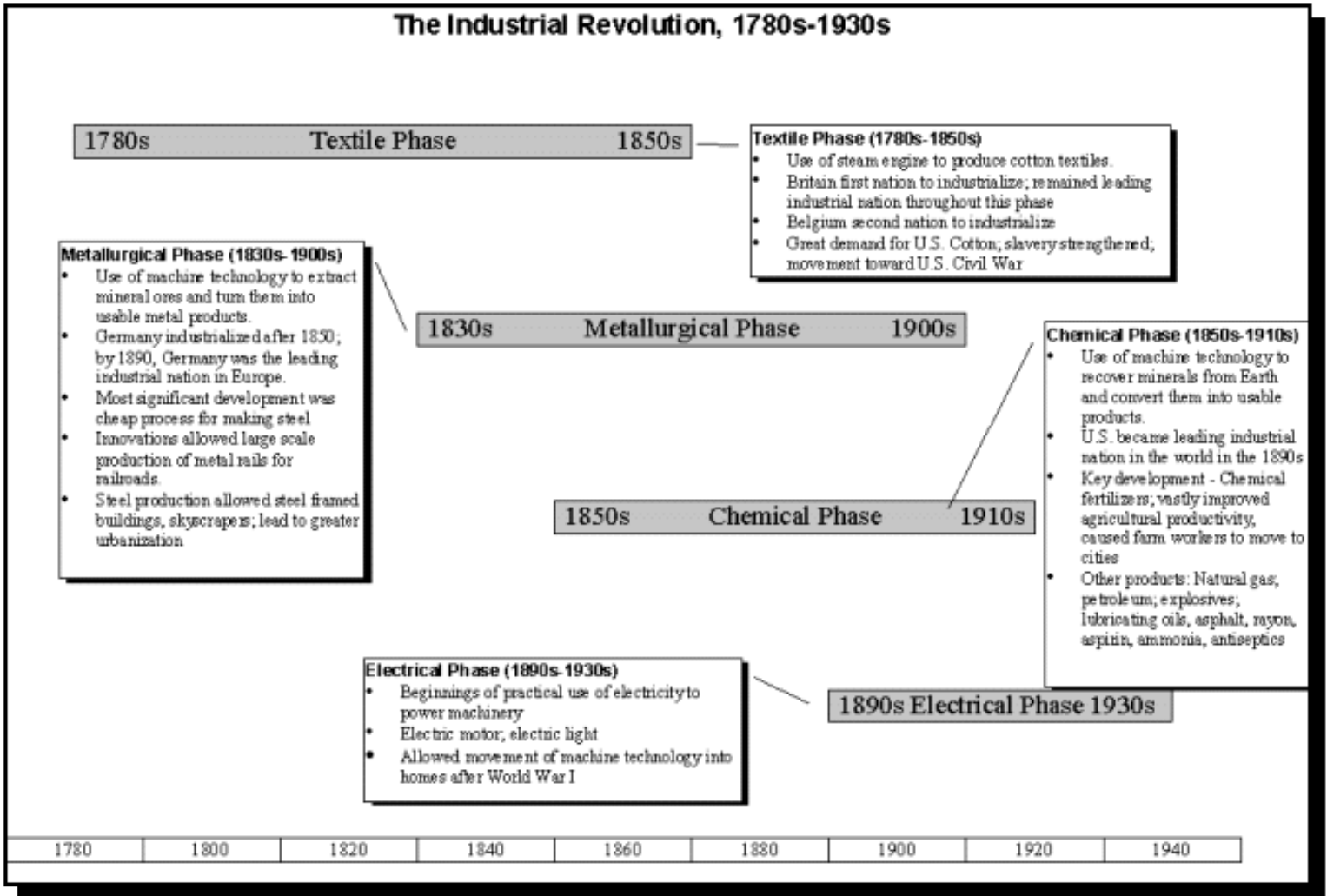
- ~ Following in the footsteps of Asian Tigers
- ~ All members of ASEAN
- ~ Concentrating on same industries that worked for the Asian Tigers

Industrialization

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The Industrial Revolution

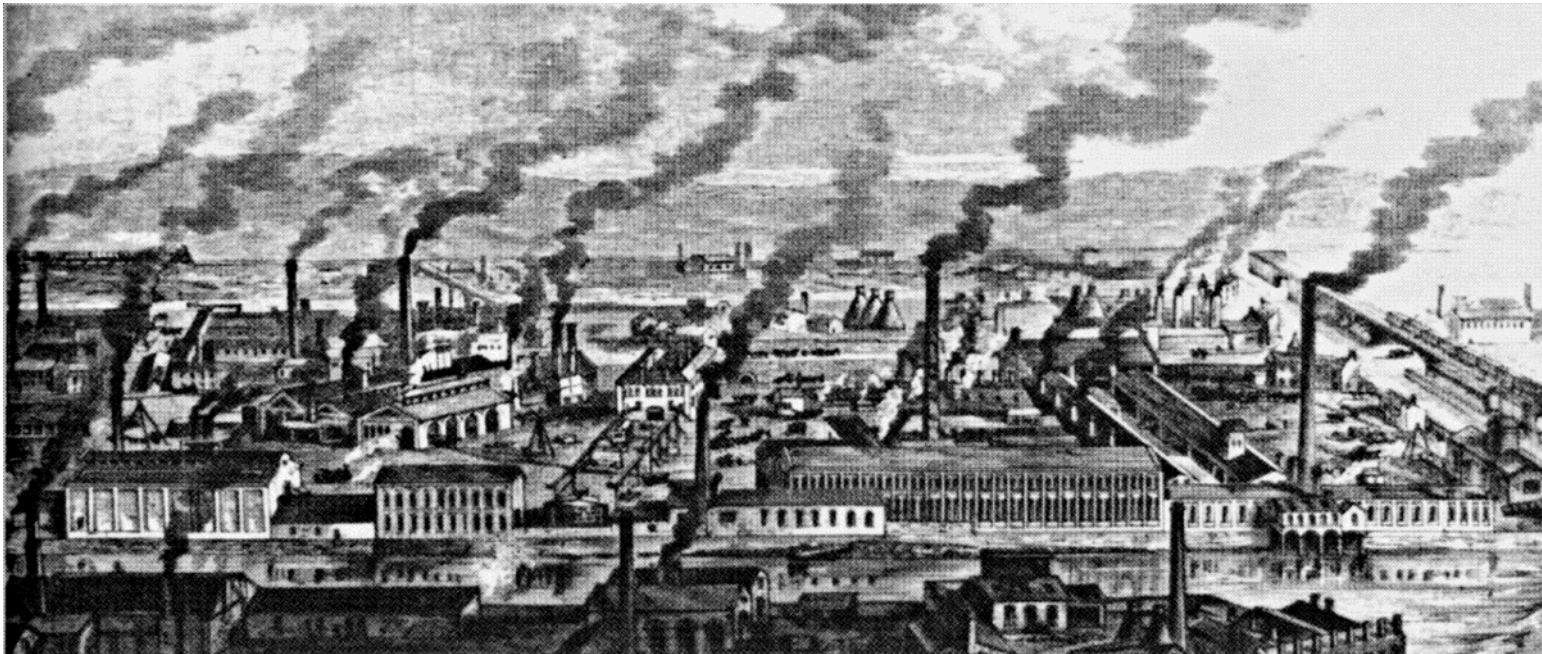
The Industrial Revolution, 1780s-1930s



Characteristics	1 st industrial revolution	2 nd industrial revolution
When	The late 18 th and 19 th centuries	the second half of the 19 th century and the early 20 th century
Where	in Great Britain	USA, Germany and Japan
Energy	Coal	Petroleum and hydroelectric power
Machines	The Steam engine	The internal combustion engine

Characteristics	1st industrial revolution	2nd industrial revolution
When	The late 18 th and 19 th centuries	the second half of the 19 th century and the early 20 th century
Where	in Great Britain	USA, Germany and Japan
Energy	Coal	Petroleum and hydroelectric power
Machines	The Steam engine	The internal combustion engine
Means of transport	The railway	Automobile, electric trains and trams, aircrafts
Working system	Workers, paid by salary, and machines, were brought together in a central factory under the same roof instead of the old domestic system	The Ford production system

***Reminder that the Industrial Revolution worked back and forth with the Second Agricultural Revolution**



Deindustrialization in the US

Friday, May 5, 2017 9:04 AM

As an MDC, the United States has moved from a secondary sector country focused on manufacturing to a tertiary sector country focused on services. This has led to:

Deindustrialization: a process of social and economic change caused by the removal or reduction of industrial capacity or activity in a country or region, especially heavy industry or manufacturing industry.

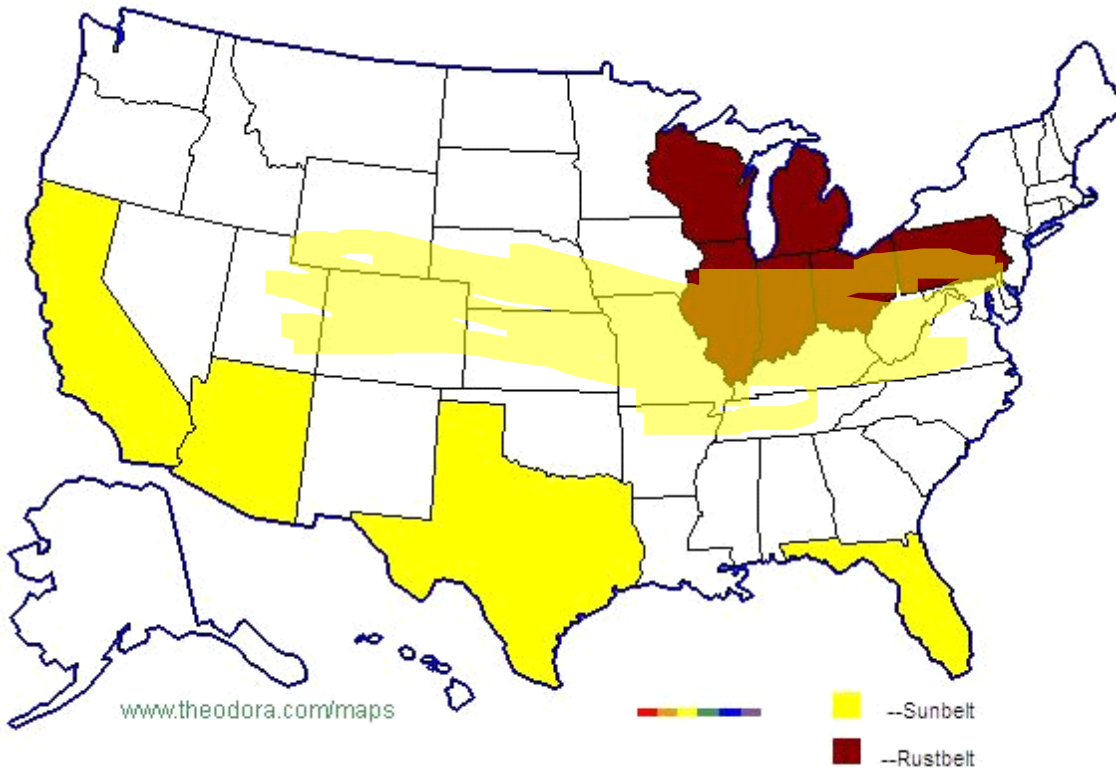
American Manufacturing Belt: it extends from the northeastern seaboard to Iowa and from the St. Lawrence Valley to the confluence of the Ohio and Mississippi rivers

Rust Belt: an area straddling the Midwestern and Northeastern United states plus small parts of the Upper South in which local economies traditionally specialized in large scale manufacturing



Sun Belt: an area of warmer weather states in the South that made up one of the first destination for factory jobs from the North because of less union activities

Outsourcing: the movement of labor and/or entire factories to locations that have cheaper labor and often lax environmental regulations

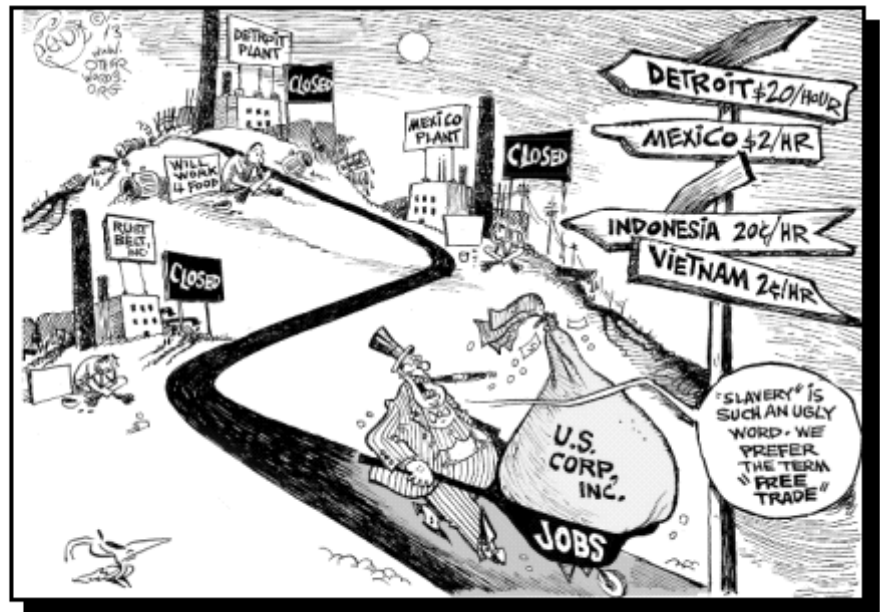


So what exactly happened?

Because of high minimum wage in the United States (comparatively), and high union activity in the Northeast, companies started to look for other places to put their factories, because in the end, companies greatest concern is maximizing profits.

Many jobs moved to the South first because of less union activities, then to Mexico, where the labor was much cheaper (\$2 an hour compared to \$20 an hour according to the cartoon).

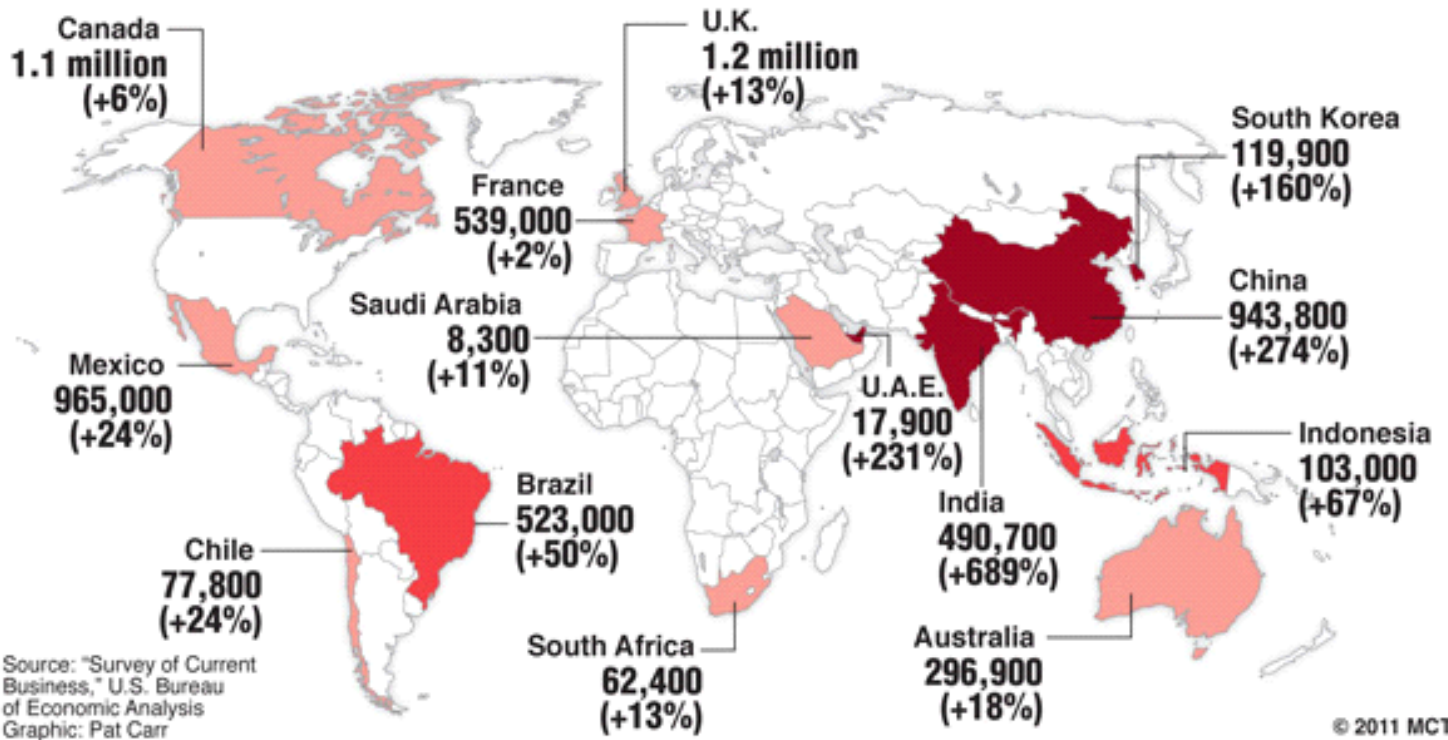
As the globe shrank thanks to technology advancements in transportation, even Mexico became too expensive, and jobs were sent to China, the Asian Tigers, and eventually to the little tigers. As the cartoon indicates, many people frown on this practice.



Outsourced

Between 1999-2009, U.S. multinational companies added 2.9 million jobs overseas while cutting 865,000 jobs at home. Employees of U.S. majority-owned affiliates in 2009 in major countries (percentage growth since 1999):

0%-49% 50%-99% 100% or more



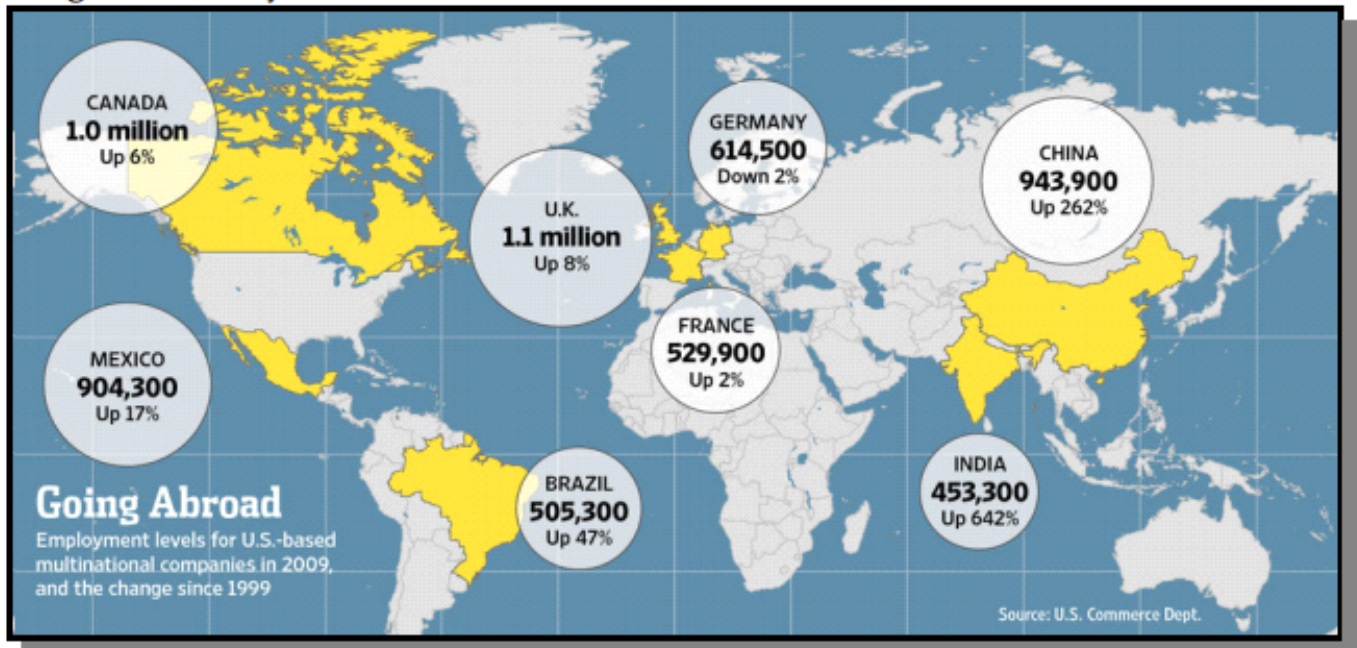
Multinational Corporations (Transnational)

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Key Terms:

- ~ **Multinational Corporation (MNC)**: owner of offices and/or production facilities in one or more countries other than its country of origin (*Coca Cola, Toyota, McDonald's*)
- ~ **Transnational Corporation (TNC)**: An MNC that is borderless with no home country
- ~ **Foreign direct investment (FDI)**: the transfer of money from the home country of a business to a foreign host country to fund overseas businesses

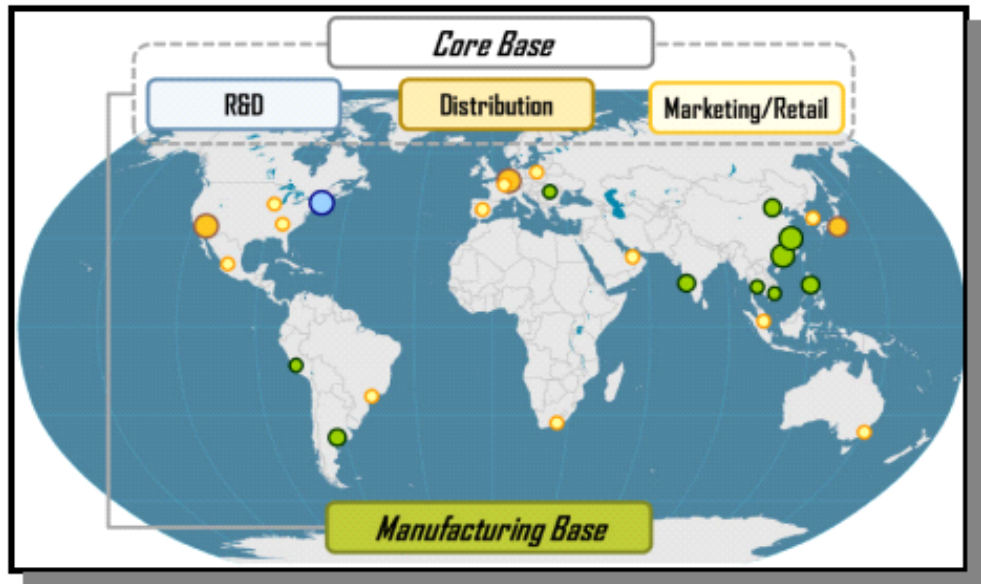
In general MNCs have a greatly positive effect on the countries they open offices in and on the global economy overall:



Platform Corporations:

Of course, not everything is positive with MNCs. Because of the FDI, it can be difficult for local businesses to compete with MNCs.

Also, as the map shows on the right, many MNCs have become **platform corporations**, where the manufacturing component has been removed from the core activities of research and development (R&D), retail, marketing and distribution.



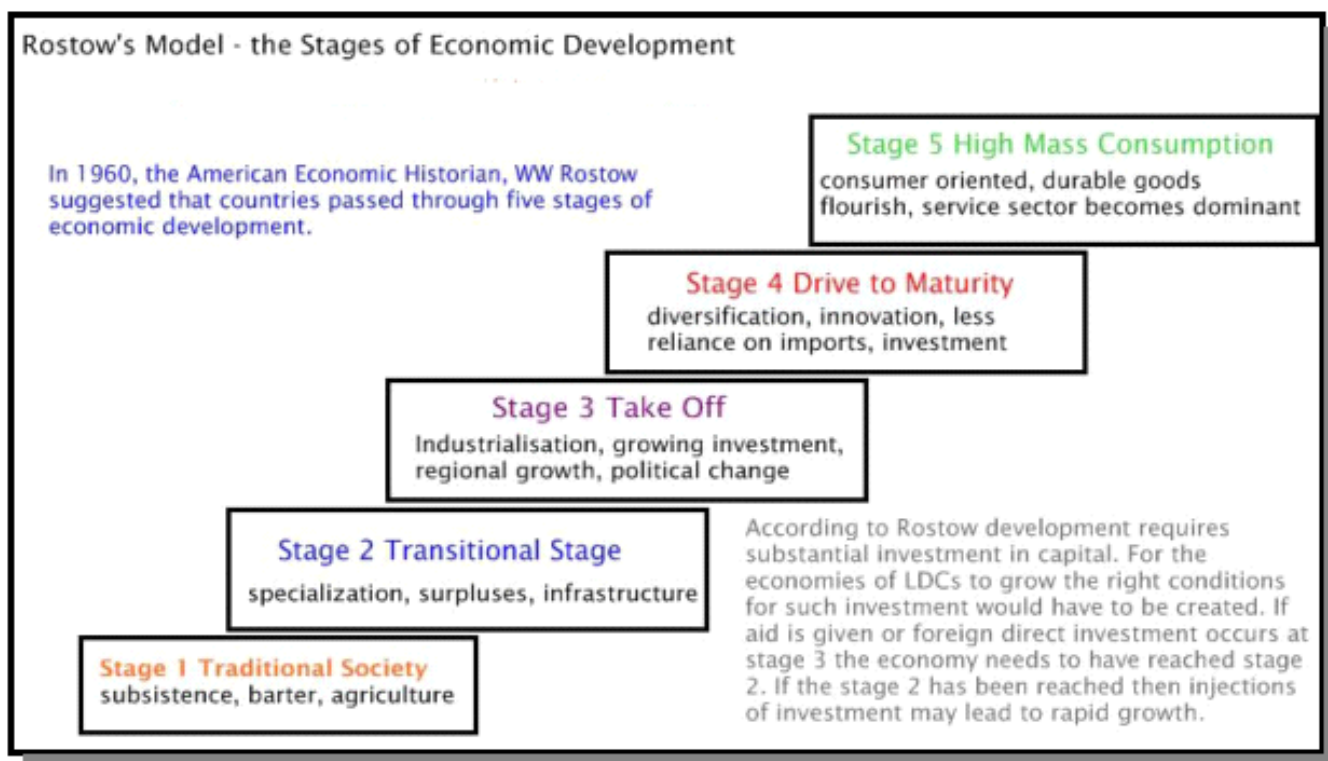
Rostow's Modernization Model

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W.W. Rostow was an American Economic Historian who proposed that all countries go through a series of five levels of development in the areas of literacy, communications and productivity per worker.

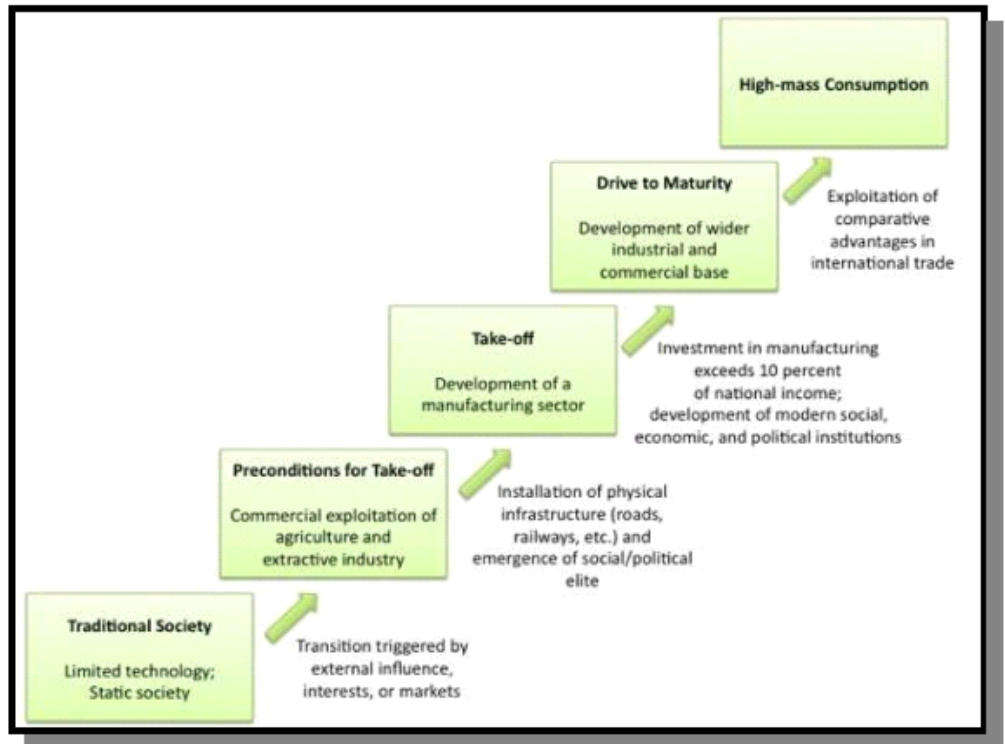
Rostow not only posited that all countries were on this spectrum now, he also suggested that you could go back into a country's history and see when they had gone through the earlier stages to get where they are today.

His theory is sometimes called the **ladder of development**.



The graphics show two different examples of the Rostow model. However, Rostow has not proven exceedingly accurate through the years, and most geographers discount it.

A few countries have followed the model loosely – the United States, New Zealand, Japan and Australia, as well as some European nations.



Remember that this model assumes all nations can independently move through these stages. It also assumes that capitalism is good.

Rostow's Theory of Industrial Development

Characteristics	Stage One: The Traditional Society	Stage Two: Preconditions for Takeoff	Stage Three: Takeoff	Stage Four: Drive to Maturity	Stage Five: Age of Mass Consumption
Economy	<ul style="list-style-type: none"> largely agricultural (>75%) limited production 	<ul style="list-style-type: none"> surplus of agr. & capital expansion of trade & manufacturing 	<ul style="list-style-type: none"> rapid expansion of industry surge of technology commercial agr. 	<ul style="list-style-type: none"> technology extends to all sectors labor-saving devices are made 	<ul style="list-style-type: none"> more use and production of durable goods service sector dominates (>50%)
Society	<ul style="list-style-type: none"> hierarchical social structure 	<ul style="list-style-type: none"> beginnings of a commercial class w/ some urbanization 	<ul style="list-style-type: none"> increasingly dominant entrepreneurial class 	<ul style="list-style-type: none"> urbanization increase in skilled and professional workers 	<ul style="list-style-type: none"> new middle class shift to the suburbs population growth stabilizes
Political Power	<ul style="list-style-type: none"> regionally-based in the hands of the landowners 	<ul style="list-style-type: none"> centralized national government 	<ul style="list-style-type: none"> powerful factions encourage modernization 	<ul style="list-style-type: none"> industrial leaders are highly influential 	<ul style="list-style-type: none"> social welfare more resources for military & security
Values	<ul style="list-style-type: none"> resist change, focus on old traditions 	<ul style="list-style-type: none"> rising spirit of progress and openness 	<ul style="list-style-type: none"> increased investment of capital for profit 	<ul style="list-style-type: none"> emphasis on technology expectation of progress 	<ul style="list-style-type: none"> increased acquisition of consumer goods

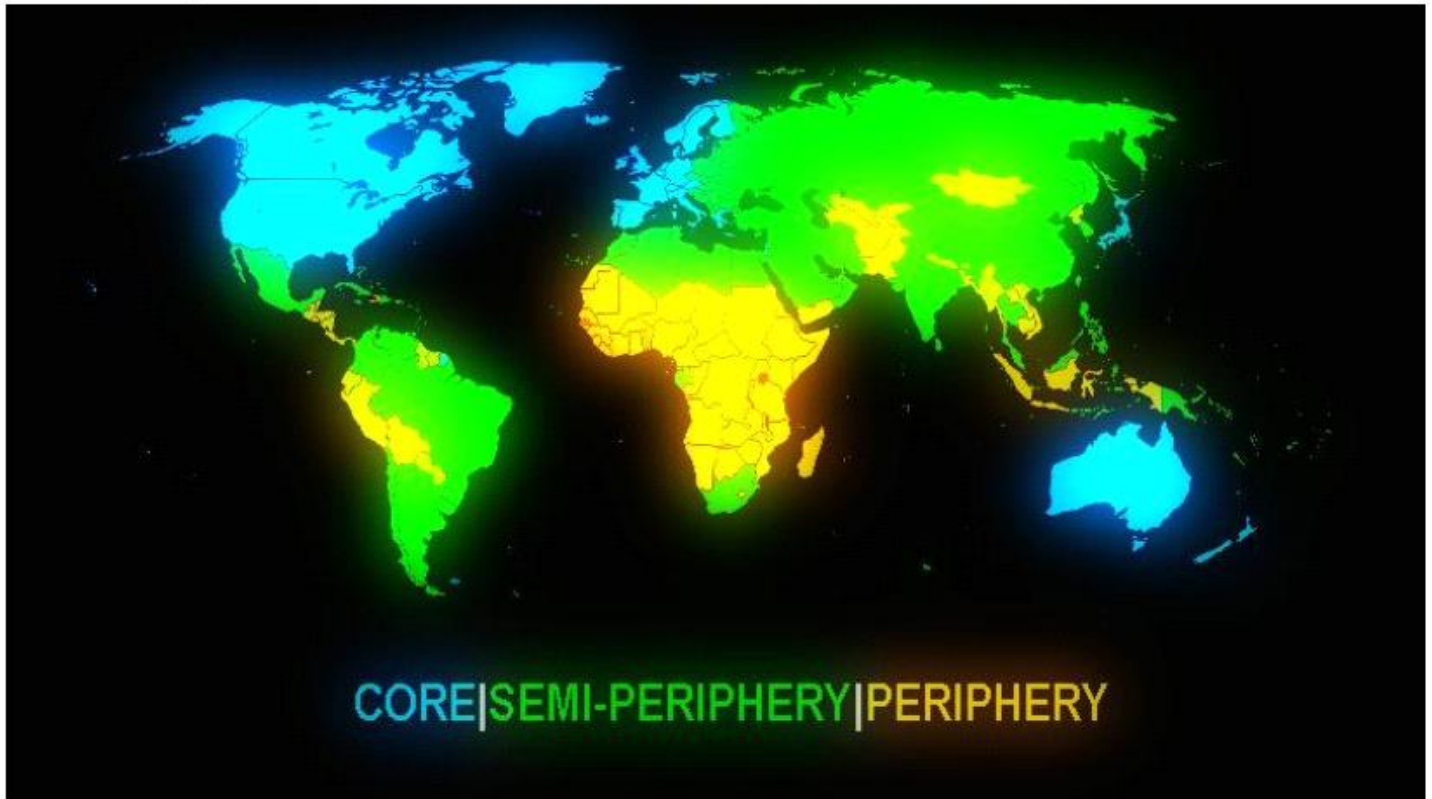
[Rostow's Stages of Development Claymation](#)



Wallerstein's World Systems Theory

Friday, May 5, 2017 9:13 AM

Immanuel Wallerstein's **World Systems Theory** is first mentioned on pg. 35, but unlike Rostow's Five Stages of Development, this theory is still much accepted and used, so let's give it a little more depth.



The 3 Basic Rules:

- 1) **The world has one market and a global division of labor**
 - ~ The world economy is capitalist
 - ~ To generate a profit, producers seek the cheapest labor
- 2) **Despite multiple world states, everything takes place within context of world economy**
 - ~ Colonialism set up with independent states and interdependent global economy
 - ~ The economies of the world are tied together creating intended and unintended consequences that fundamentally change places
- 3) **The world economy has a three-tier structure: the core, periphery and semi-periphery**
 - ~ **Core**: high education, high salaries and more technology
 - ~ **Periphery**: low education, low salaries and less technology (kept in poverty by core countries lack of investment in them)
 - ~ **Semi-periphery**: in between, exploited by the core, but exploits the periphery
 - ~ The basic premise is that all three levels are necessary and that the periphery countries are not all destined to grow to being core countries as all levels are necessary

** The World Systems Theory is related to the **dependency theory**, that states that the powerful countries control the economic development of less powerful areas. As a result, there is little hope for economic development of less powerful areas.

Structuralist Models:

economic disparities are the result of historically derived power relations w/in the global economic system; cannot be changed easily (misleading to assume all areas will go through the same process of development). This differs from Rostow (Modernization) Theory that gives one model for all countries.

Dependency Theory: (structuralist)

states that political & economic relationships b/w countries & regions control & limit the developmental possibilities of less well-off areas (e.g., imperialism caused colonies to be dependent – this helps sustain the prosperity of dominant areas & poverty of other regions); only at later stages of development does the core have a positive impact on the periphery (grants, loans, specialized economic zones,...).

Neocolonialism:

the economic control that MDCs are sometimes believed to have over LDCs. Through organizations such as the IMF, the MDCs are able to dictate precisely what LDCs economic policies are, or are able to use their economic subsidies to put LDCs industries out of business.

Structural adjustment loans

loans granted by the international financial institutions such as the the World Bank and the International Monetary Fund to countries in the periphery and the semi-periphery in exchange for certain economic and governmental reforms in that country

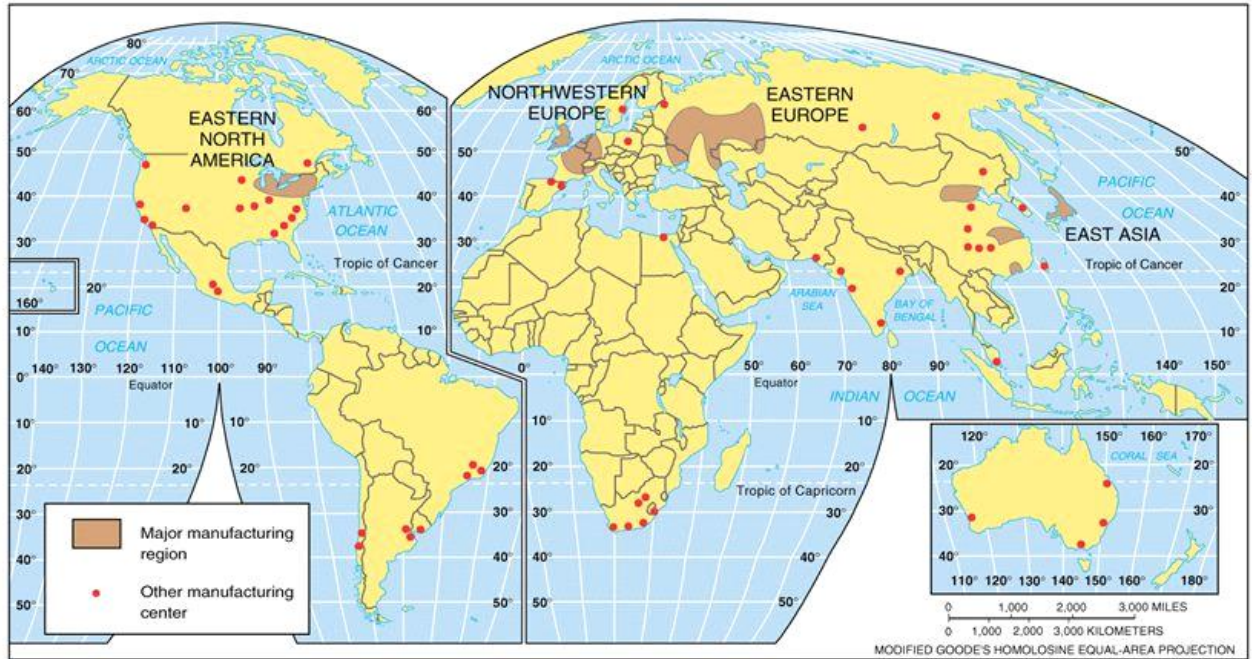
Clearly there are some negative opinions about these loans. Look at the cartoons and try to discern the message. If some people think they are bad and we still use them, why do you think that might be?!?!?

From <<http://newellta.weebly.com/structuralist-theories.html>>

Manufacturing Regions

Friday, May 5, 2017 9:17 AM

Manufacturing Regions



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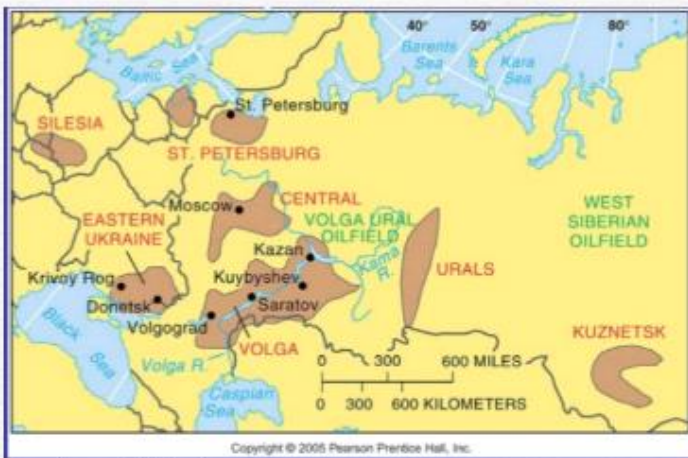
Fig. 11-3: The world's major manufacturing regions are found in North America, Europe, and East Asia. Other manufacturing centers are also found elsewhere.



Midlands, England Ruhr Valley Mid Rhine



East Asia - Kanto Plain, Japan



Russia and Ukraine



US Manufacturing Region these are the major areas, there are others

UN Millennium Growth Goals

Friday, May 5, 2017 9:19 AM



Human Development Index (HDI)

Friday, May 5, 2017 9:20 AM

There are many things that are used to measure the relative levels of developments of different countries, but the most accepted version is the **Human Development Index (HDI)** created by the Pakistani economist Mahbub ul Haq and administered by the United Nations.

Human Development Index

The goal of the HDI is to create a number between 0.0 and 1.0 by combining three things:

1) Demographic data

- ~ Measured by average life expectancy
- ~ Life expectancy is ranged between 20 and 82.3, then equalized to 1.0 scale
- ~ Was originally range of 20 to 85 until 2010

2) Economic data

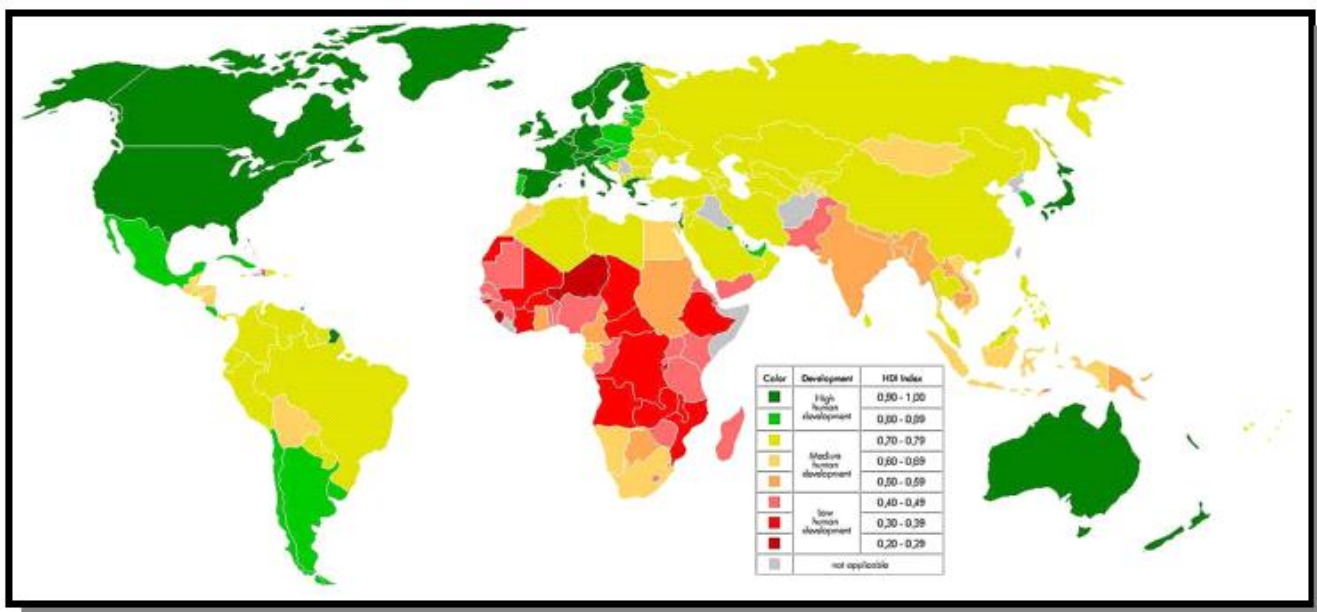
- ~ Measured by Gross National Income per capita
- ~ GNIpc is ranged from \$100 to \$107,721, then equalized to 1.0 scale
- ~ GDP was originally used instead of GNIpc until 2010

3) Social data

- ~ Measured by combining mean years of schooling (MYS) for those done and expected years of schooling (EYS) for those in school
- ~ MYS counts twice as much as EYS, and they are equalized to 1.0 scale
- ~ Originally the social was 2/3 literacy rate & 1/3 education level
 - ~ This was ideal because literacy is quality of education not quantity
 - ~ Literacy removed largely because the statistics were inaccurate

FINAL PHASE: The demographic, economic and social elements are averaged

Map of World's HDI ranging from extremely high (over 0.90) to very low (between 0.20 and 0.30)





Other measurements:

- ~ **Gender Inequality Index (GII):** measures differences in men's and women's achievements
- ~ **Gini Index:** measures the degree of inequality of family income in a country
 - ~ **Lorenz Curve:** The closer you are to the Lorenz Curve, the more unequal you are