
Economic Geography

California State University
Northridge

Geography



Two Great Revolutions

- The first agricultural revolution...the domestication of plants
- The Industrial Revolution
 - urbanization, transportation, philosophy, science, demography revolutions
- The Information Revolution?

Three Types of Industry

- **Primary - extractive**
- **Secondary - manufacturing**
- **Tertiary – retailing and services**
 - **Some authors also include as subsections of tertiary**
 - **Quaternary – information sector, research**
 - **Quinary – Government**
 - (teaching, police, government activity)



Primary Industry

- extractive industries of all sorts
 - Farming, drilling, mining
 - “from the ground”
- sometimes spurs on manufacturing
- frequently environmentally destructive
- sometimes controlled by outsiders
 - What is one of Los Angeles’ primary industries?

Los Angeles



graphy

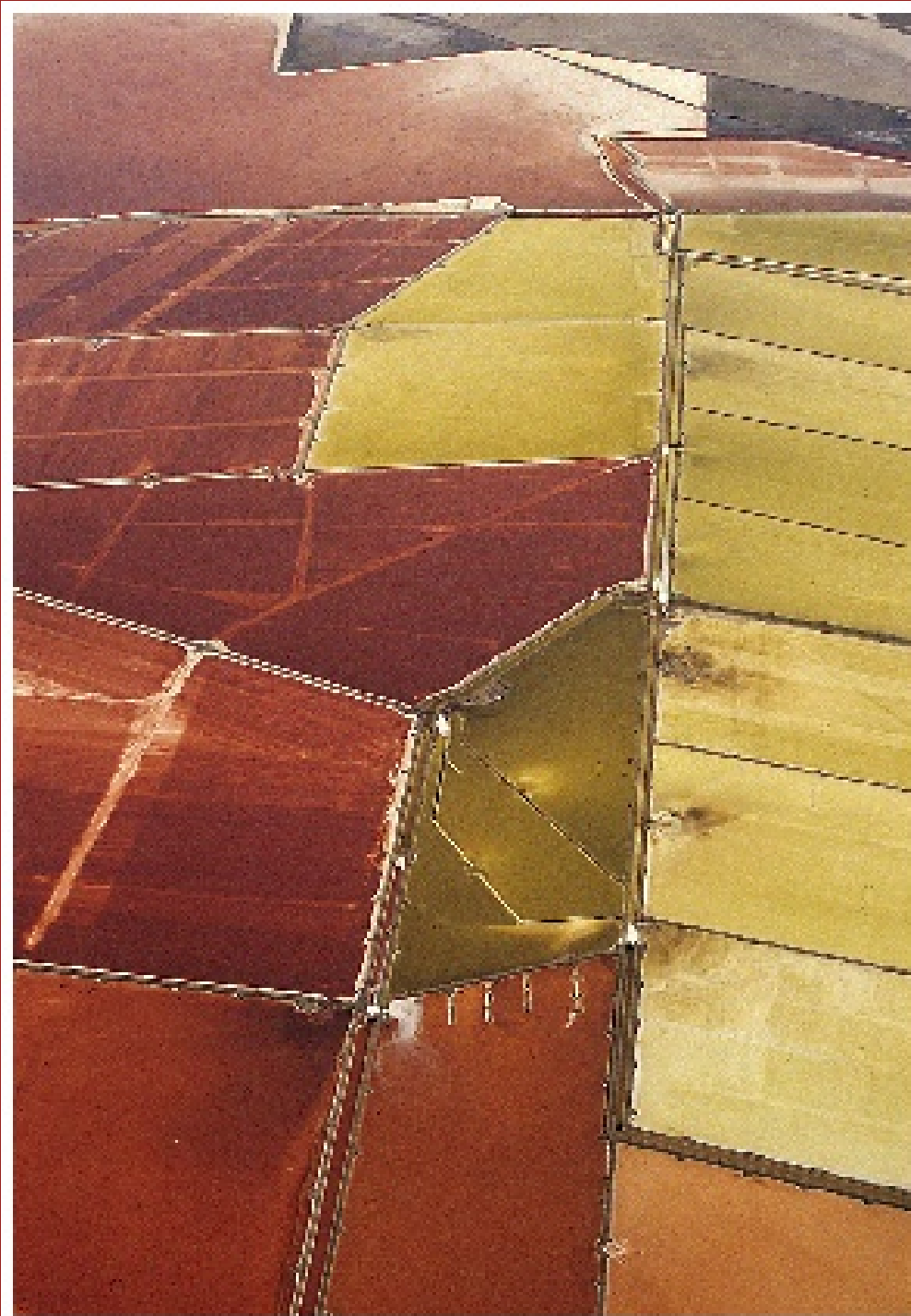




Primary Landscapes- Open Pit Mine (fig)

Geography





Primary Landscapes- Chemical Fields (fig)

Geography



Primary Landscapes- Potash Mine Slag Pile (fig)

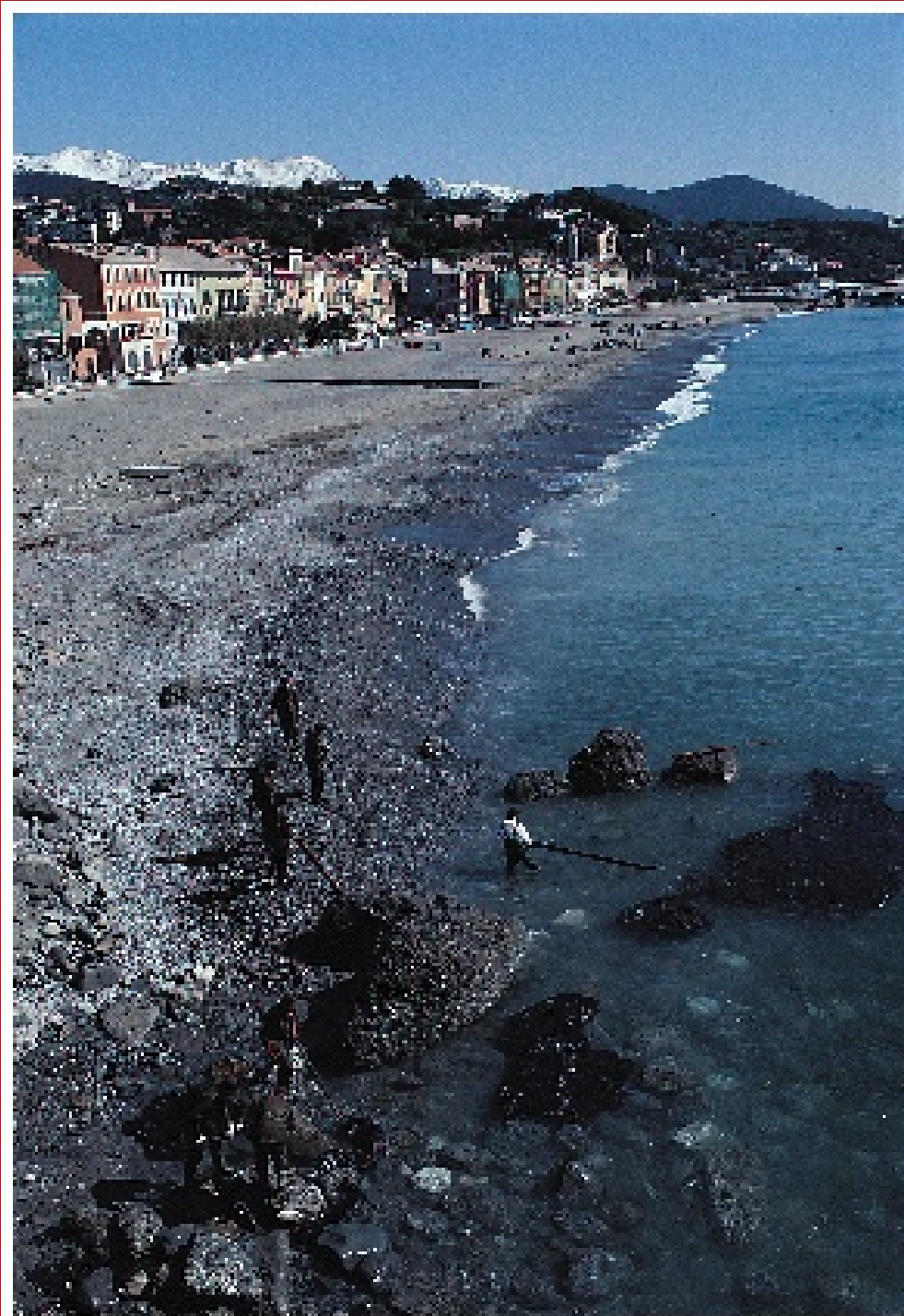


Primary Industry-Oil Drilling (fig)



Geography

SWEDEN



Oil Spill (fig)

Geography



Rainforest Destruction (fig)



Primary Landscape? (fig)



Secondary Industry

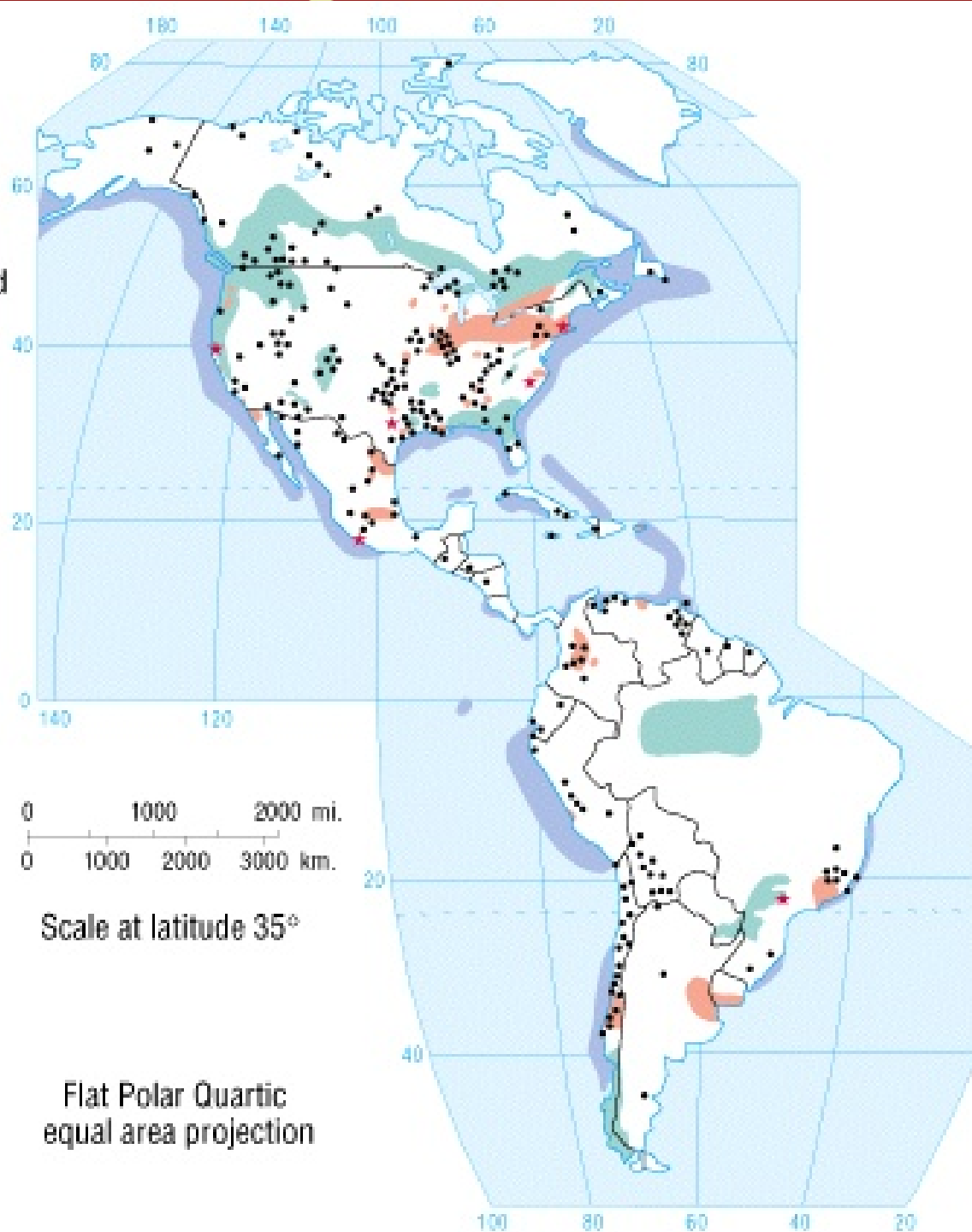
- Essentially the processing of products produced by primary industries.
- Frequently considered synonymous with manufacturing
- Value added
- Shows core and periphery patterns and may lead to uneven development
- Regions specialize in types of manufacturing.
- Name a secondary industry in Los Angeles

LA Manufacturing



Geography

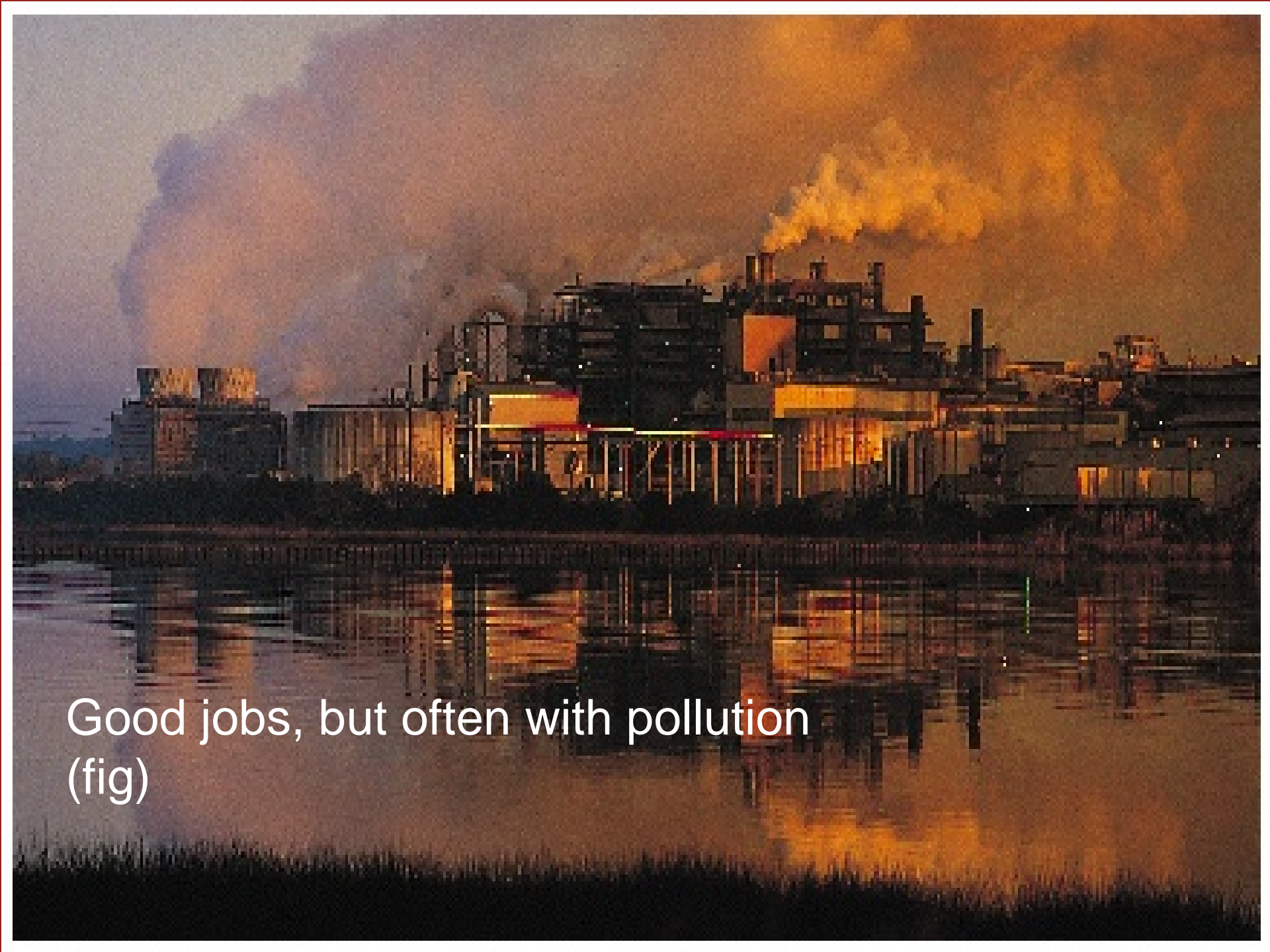
- Manufacturing
- Major centers of high-tech manufacturing
- Mining
- Lumbering and pulpwood
- Commercial fishing



Scale at latitude 35°

Flat Polar Quartic
equal area projection





Good jobs, but often with pollution
(fig)

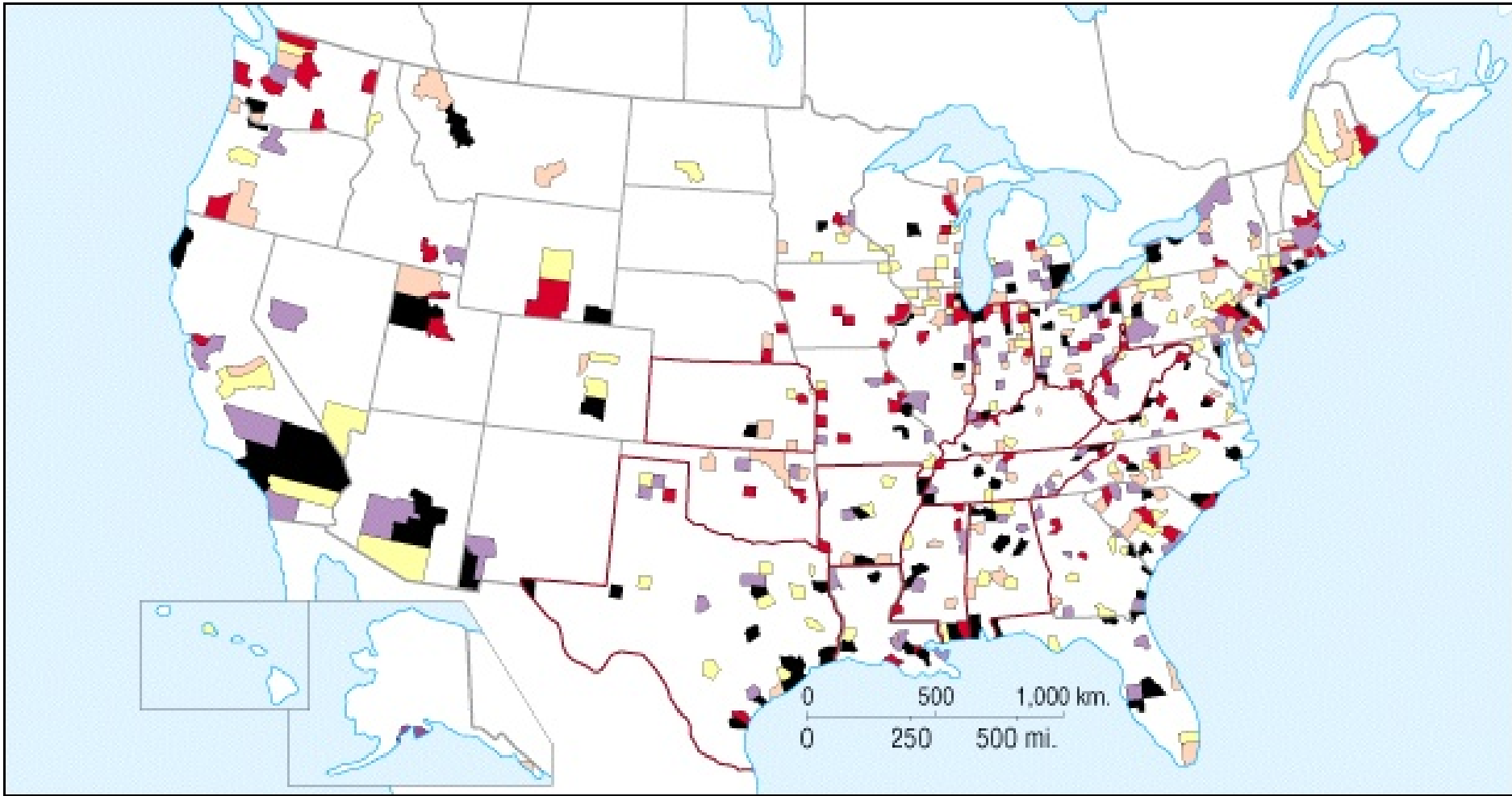
Secondary and Tertiary Landscapes (fig)



Acid Rain's Effects (fig)



US Environmental Pollution (fig)



- Borders of 10 worst states on 1991 "Green Index"
- Worst 100 counties
- Second-worst 100 counties
- Third-worst 100 counties
- Fourth-worst 100 counties
- Fifth-worst 100 counties

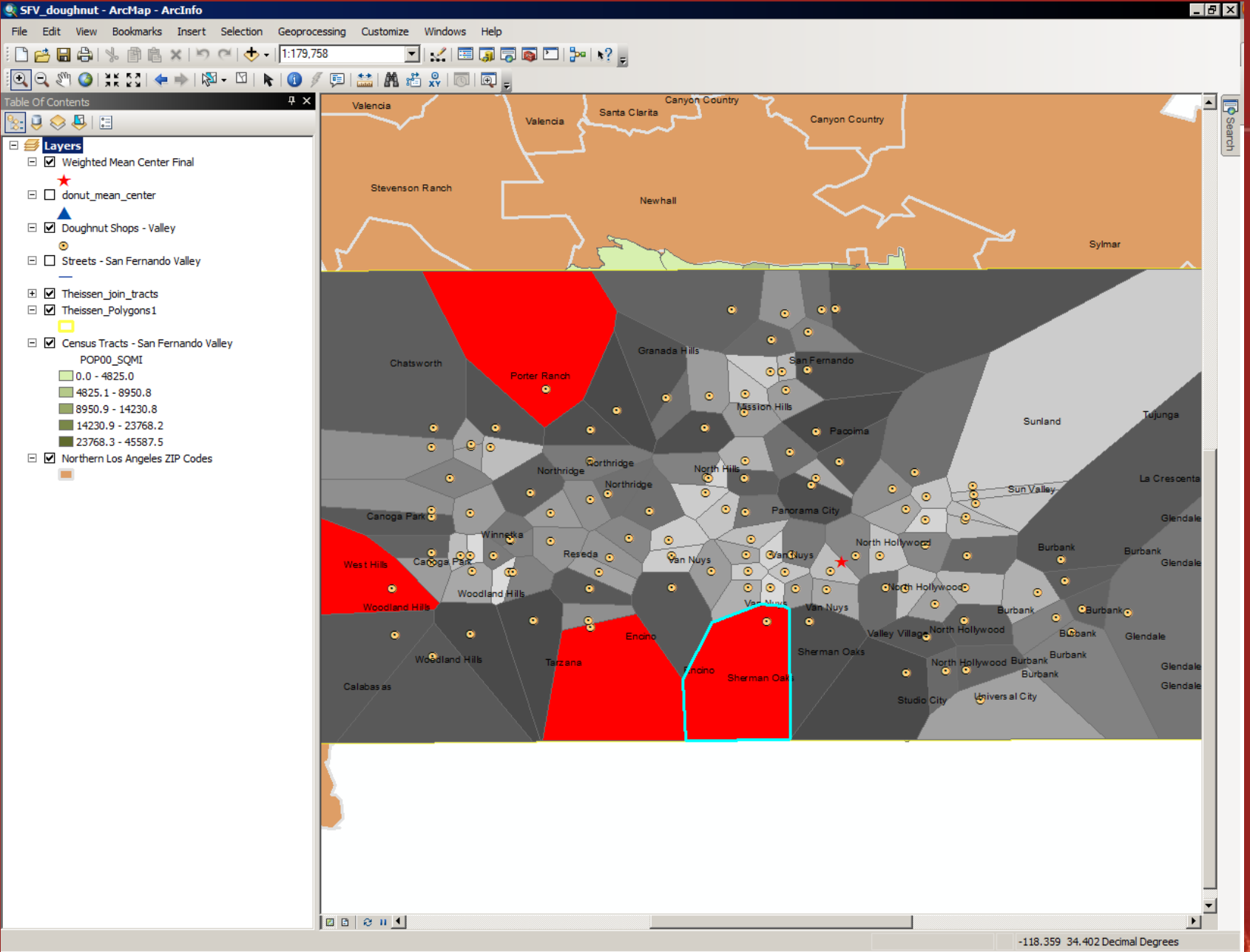
Tertiary Industry

- Service sector
- Now much more important in the United States than before 1970
- Includes retail, research, transportation, communication, utilities, tourism, etc.
- *Multiplier leakage* & increasing concentration of power and wealth
- *Bifurcation* of service sector



Retail Site Location

- Some students get jobs locating the “next McDonalds” or helping decide which stores go with which others in the mall.
- Essentially involves mapping and analyzing demographic, traffic and shopping patterns.
- Excellent earning potential.



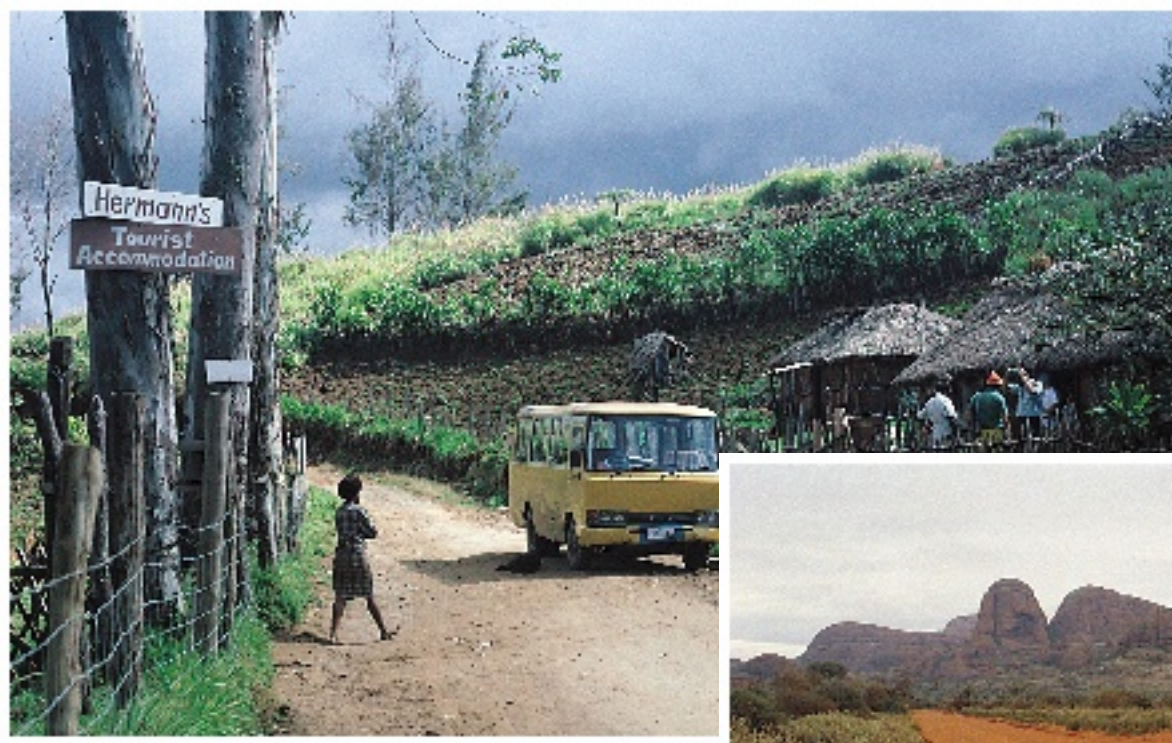
Geography

GREAT SWITZERLAND

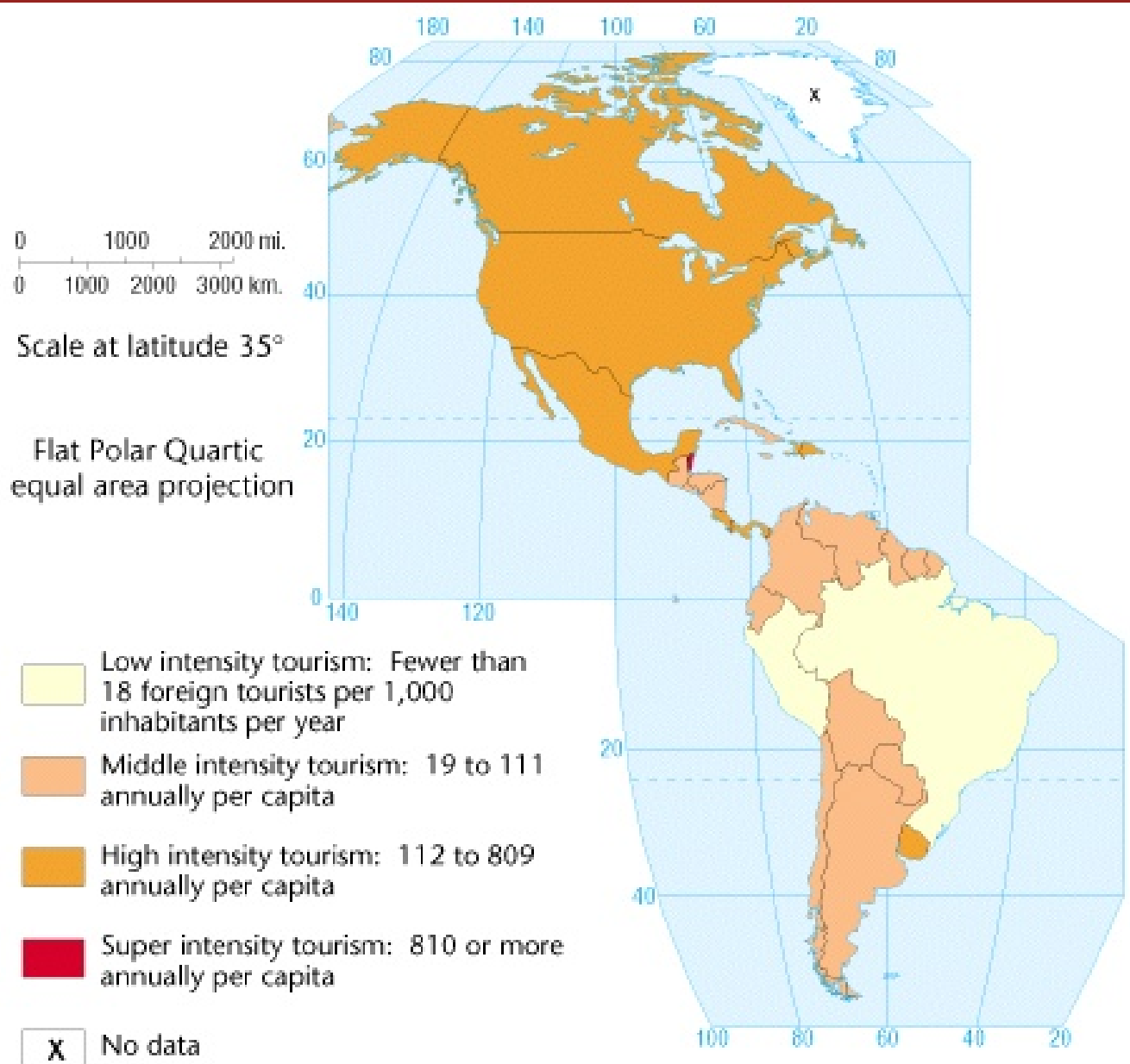
Tourism

- Tourism is world's largest business
- It's a "basic industry"
- Well spread, but often suffers from *multiplier leakage*
- Seacoasts, mountains, rural areas benefit
 - Las Vegas, Yosemite, Big Sur
- Historical and cultural locations also big
- Los Angeles

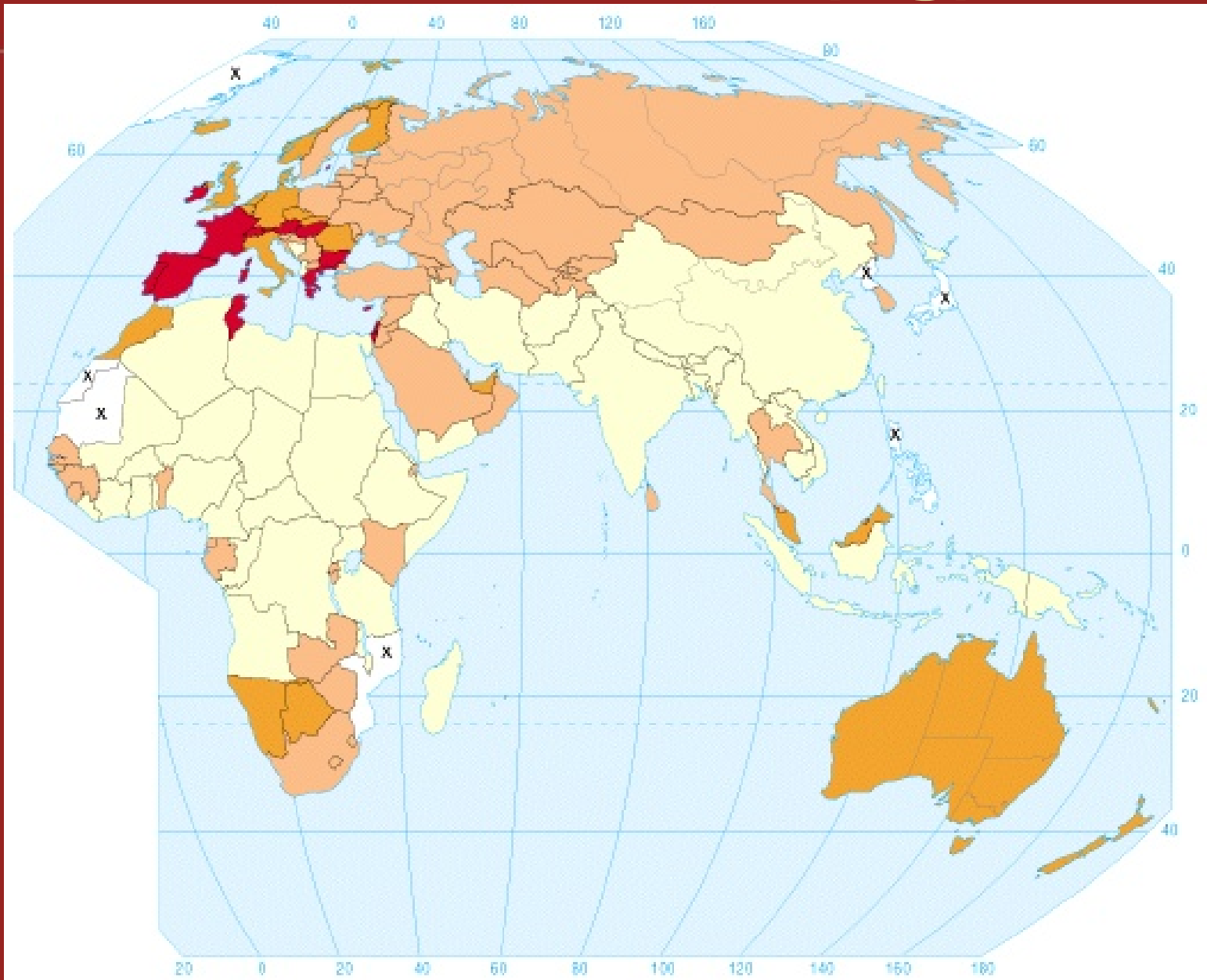
Industrial Landscapes? (fig)



Tourism-West (fig)



Tourism-East (fig)



Q: Multiplier leakage is a problem with which of the following local businesses?

- A. The Northridge Medical Center
- B. A local farmer's market
- C. Rite-Aid Pharmacy
- D. Taco Llama #5



Quaternary Industry

- Subsection of the service sector
- “services required by producers”
- trade, wholesaling, retailing, advertising, banking, legal, insurance, real estate
- information production & management
- major growth sector today



Quaternary Industry

- High skill labor
- Locate near major universities
- Amenity seeking
- “silicon landscapes”
- Richard Florida’s thesis
 - *High quality of life, not low taxes, is key to the promotion of new economy jobs.*



Industrial Site Location

- Alfred Weber: the father of industrial location theory, a career path that can be very lucrative.
- Site location considerations include:
 - Land
 - Capital
 - Labor Costs
 - Labor Skill
 - worker productivity also considered
 - Markets
 - Materials



Q: According to Richard Florida, locations high taxes actually help attract good paying jobs. Which location is an example?

- A. Silicon Valley, California
- B. Atlanta, Georgia
- C. Lexington, Kentucky
- D. Boise, Idaho



The Industrial Revolution

- Where did the industrial revolution begin?
- Why there? Where in the US?
- England with cottage & guild industries during the 1700s
- Early products were crafted by machines powered by inanimate sources.
- What is an example of an inanimate source?
- Textiling, metallurgy, mining industries were early to capitalize on machine power.

Markets and Materials

- Some industries need to locate close to their market, especially if their product is *bulk gaining*.
- Some industries have a raw materials orientation, particularly when they are producing *bulk reducing* commodities.
- Some industries need to be close to others, and produce *agglomeration economics*
- Can you think why? Examples?

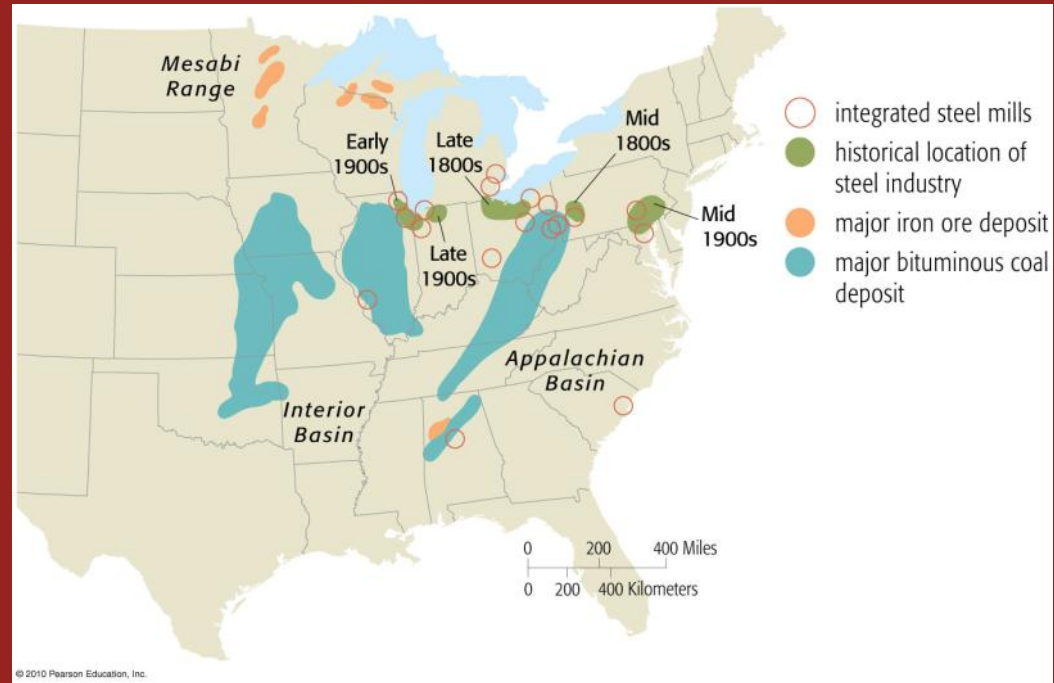


Bud and Miller Plants



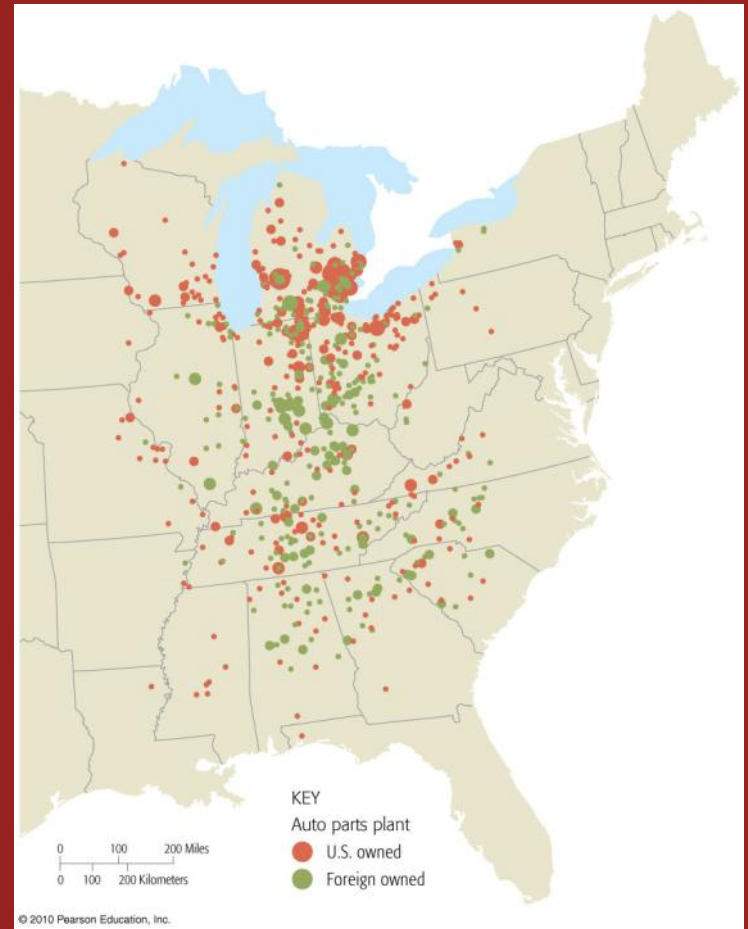
Westward Steel

- Bulk reducing
- Note the westward migration of steel production in the US.
- What factors account for this movement?



Automobile Production

- Bulk gaining activity
- Michigan/Detroit losing share
- What factors account for the location patterns?
- Where locally did there once exist a car factory?



Chevy Plants – 1950s vs. 2008



- Local loser?
- Loss pattern?

Delivery - Transportation

- Ship, rail, truck, or air?
- Depends on perishability, bulk and distance
- Longer-distance transport is cheaper per mile due to loading labor (short haul penalty)
 - Trucks short-distance; trains longer
 - Boats very long; cost per mile very low
 - Air most expensive; speedy, high-value



Saint Louis – Break of Bulk



The American Landscape Project

Geography

Break-of-Bulk Points

- Costs rise each time products are transferred – labor costs
- Break-of-Bulk – a location where transfer among transportation modes is possible
- Temporary warehousing
- Multiple mode may be cheaper
- Seaports and airports
- Intermodal / containerization



Just-in-Time Delivery

- Delivered when needed without warehousing
- No inventory
- What implications for workers in such plants?
- Can you think of another instance of “just in time delivery” that affects you, perhaps when you are shopping?

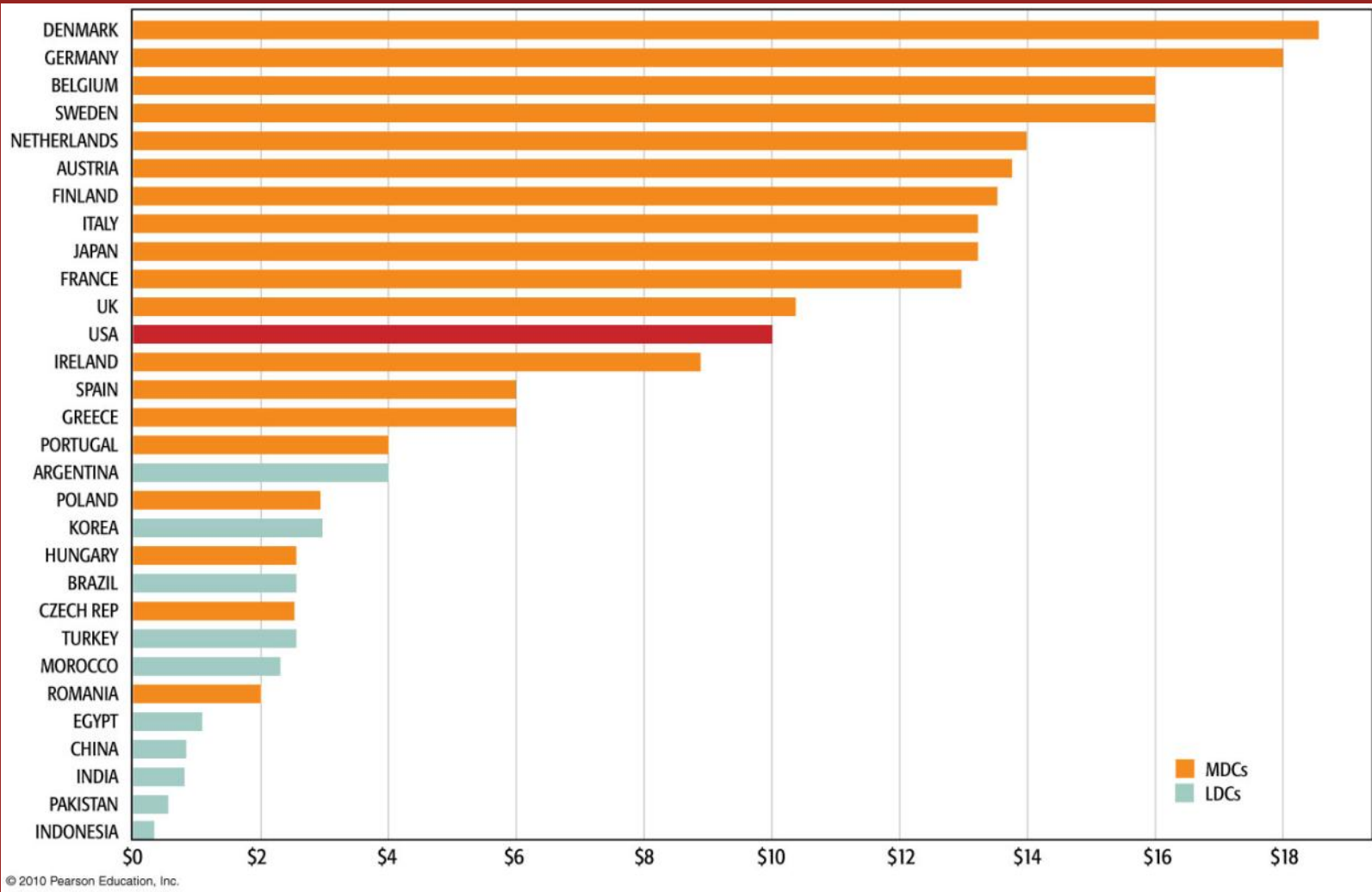


Industries on the Move

- Movement has accelerated since 1970
- What is a footloose industry?
- What types of industry are less likely to move?
 - What is effect on wages and benefits?
- NAFTA



Hourly Wages



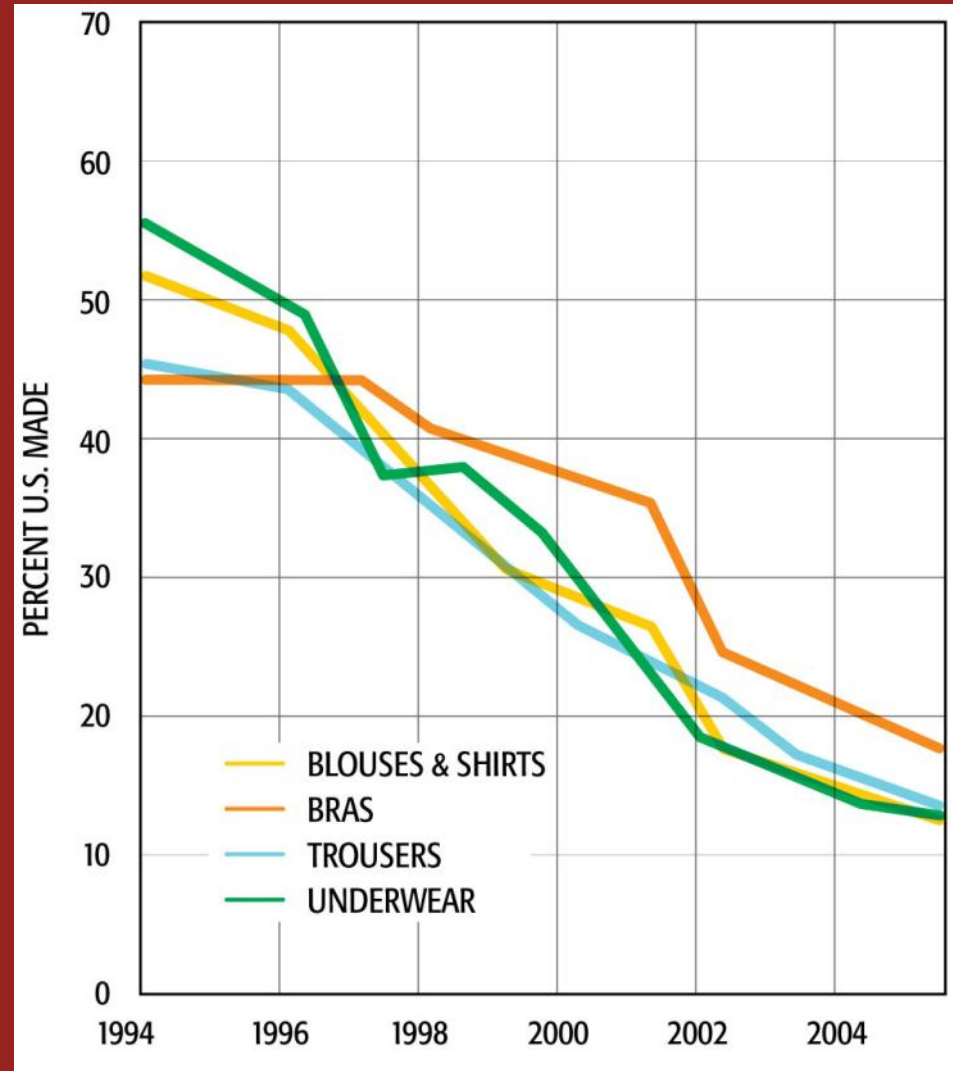
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Q: Footloose industries tend to have which qualities?

- A. Low wages
- B. Job insecurity
- C. Poor Benefits
- D. All of these

NAFTA

- What has been the effect of NAFTA on the textiling industry?
- Which states have fared worst?



The Political Element

- Politics also effects industrial location.
- Many defense industries are sited with political and strategic priorities in mind
- Industrial location is often affected by regulatory climate
- Tax and tariff policies also affect industrial site location

Environmental Factors in Industrial Location

- There is some measure of environmental concern creeping into industrial site location.
- Some companies avoid locations with environmental regulation.
- Some companies seek those locations.



Industrialization and Cultural Change

- Industrialization is the most potent ingredient in cultural change over the last 200 years.
- Modernism, as a philosophy and way of life is intimately tied to industrialization
- PROGRESS!!!