

# 10

## Geographies of Energy, Industry, and Services

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### CHAPTER OVERVIEW

- There are three types (or levels) of economic activity (primary, secondary, and tertiary).
- Corporations play a large and important role in all national economies.
- Early location theory focused on proximity to agricultural products.
- Prior to the Industrial Revolution, industrial location was predominantly local.
- Early forms of industrialization were reliant on coal for energy, and many early industrial centres were located where coal could be found.
- Currently, levels of industrialization vary globally.
- The relocation of industrial production plays a key role in globalization.
- Service activities have always been an essential part of any economy; since the Industrial Revolution, services have increased in relative importance.
- Models of economic growth are known as developmental stages: staples theory, core–periphery, growth poles, and new economic geography.

### LEARNING OBJECTIVES

After reading this chapter, you should be able to

- describe various location theories and understand their merits and drawbacks;
- understand how the three types of economic activities are all closely related;
- understand how the Industrial Revolution affected economic, urban, and population growth;
- understand the changing nature of industrial location with respect to energy fuel and supply;
- explain geographic shifts in industrialization—from initial industrial areas to newly industrializing countries, and the factors that have encouraged this relocation and growth;
- describe how human geographers study changes in the industrial process and location; and
- describe and understand the variation in labour markets through history.

## KEY TERMS

**Collective consumption** The use of services produced and managed on a collective basis. (p. 394)

**Deindustrialization** Loss of manufacturing activity and related employment; generally used in reference to traditional manufacturing regions in the more developed world. (p. 395)

**Export processing zone (EPZ)** Industrial area with special incentives set up to attract foreign investors, in which imported materials undergo some degree of processing before being re-exported. (p. 389)

**Feudalism** A social and economic system prevalent in Europe prior to the Industrial Revolution; land was owned by the monarch, controlled by lords, and worked by peasants who paid rent for the land and were subject to the lords' authority. (p. 375)

**Flexible accumulation** Industrial technologies, labour practices, relations between firms, and consumption patterns that are increasingly flexible. (p. 394)

**Fordism** A highly organized system of industrial production and labour introduced by Henry Ford in the 1920s, including the mass-production assembly line; broad societal benefits including higher wages and shorter working hours resulted in unprecedented growth in consumer spending. (p. 394)

**Industrial Revolution** The process that converted a fundamentally rural society into an industrial society, beginning in England around 1750; primarily a technological revolution associated with the harnessing of new energy sources and the use of machinery to replace manual labour; associated with societal, demographic, political, economic, and urban change. (p. 374)

**Offshoring** The outsourcing of work to another country; usually involves companies in more developed economies shifting work to less developed economies. (p. 399)

**Outsourcing** A business practice of paying an outside firm to handle functions previously handled inside the company (or government) with the intent to save money or improve quality. (p. 399)

**Post-Fordism** A global industrial system that has emerged since about 1970 and is characterized by flexible production methods; facilitated by transnational corporations and the practice of outsourcing, many former industrial regions have seen significant industrial decline, and newly industrializing countries have emerged in their place. (p. 394)

**Primary activities** Economic activities involving the identification and extraction of the world's natural resources, such as mining, fishing, forestry, and agriculture. (p. 368)

**Reindustrialization** The development of new industrial activity in a region that has earlier experienced substantial loss of traditional industrial activity. (p. 395)

**Secondary activities** Economic activities involving the processing, transforming, fabricating, and assembling of raw materials (or secondary products) into finished goods; sometimes referred to as industrial activities; generally include activities such as manufacturing, food processing, and construction. (p. 368)

**Secondary products (goods)** Products made from raw materials and used in the manufacture of finished products, such as steel, plastic, flour, and textiles. (p. 368)

**Spatial monopoly** The situation in which a single producer sells the entire output of a particular good or service in a given area. (p. 373)

**Tertiary activities** Economic activities involving the sale or exchange of goods and services; mostly referred to as service activities; generally include wholesale and retail trade, hospitality and food services, insurance and banking, law, real estate, and various government services. (p. 369)

**Ubiquitous good** Products or raw materials that are found virtually everywhere; examples include electricity or water in most of the more developed world. (p. 370)

## RESEARCH QUESTIONS

1. Discuss the factors that influenced an increase in industrialization in newly industrializing countries. Make sure to consider the merits of the various strategies used by these countries.
2. Discuss the relationship between post-Fordism and industrial restructuring. What have been the outcomes of industrial restructuring?
3. Research and describe how transnational corporations have altered industrial location decisions. What impacts have these decisions had?
4. What are the factors that have encouraged an increase in women working in industrial settings? What are the impacts caused by this increase? Are they all positive?
5. Discuss the theories and findings related to uneven development. Is it inevitable?

## LINKS OF INTEREST

- International Energy Agency  
<http://www.ica.org/>
- Organization for Economic Cooperation and Development  
<http://www.oecd.org/>
- Global Production  
<http://www.global-production.com/>
- Canadian Manufacturers and Exporters  
<http://www.cme-mec.ca/>
- North American Free Trade Agreement Now  
<http://www.naftanow.org/>
- World Trade Organization  
<https://www.wto.org/>

## SUGGESTED READINGS

**Bennett, J. 2008. *Where Underpants Come from: From Checkout to Cotton Field – Travels Through New China*. Sydney: Simon & Schuster Australia.**

An investigative exploration of the garment manufacturing process. Bennett travels to China, and elsewhere to see where the various raw materials come from, and then the factories that turn them into finished products. A fascinating and readable exposé of a commodity chain.

**Britton, J. 1996. *Canada and the Global Economy: The Geography of Structural and Technological Change*. Montreal and Kingston: McGill–Queen’s University Press.**

Focuses on the importance, for Canada, of openness to external influences, regional variations in resource bases and urbanization, rapid changes in technology and markets, and government strategies.

**Crosby, A. W. 2006. *Children of the Sun: A History of Humanity’s Unappeasable Appetite for Energy*. New York: Norton.**

A big-picture look at the history of the world’s never-ending search for energy sources and our resultant dependence on those sources.

**Harrington, J. W., and B. Warf. 1995. *Industrial Location: Principles and Practices*. New York: Routledge.**

A valuable, wide-ranging book that includes both conceptual and empirical analyses.

**Kunstler, J. 2006. *The Long Emergency: Surviving the End of Oil, Climate Change, and Other Converging Catastrophes of the Twenty-First Century*. New York: Grove Press.**

An examination of the global impacts as we pass the point of peak oil production.

## YOUTUBE VIDEOS

**Saras Kumud. 2017. “Industrial Revolution – Best Short Documentary.” YouTube video, 3:52. Posted April 2017. <https://www.youtube.com/watch?v=A6VqbocaDpA>**

1. What is the relationship between locomotives, steamboats, and production of goods?
  - The advent of locomotives and steamboats significantly altered the spatial element of transporting goods. No longer were products limited to one stationary location; goods could now be transported all over the globe.
2. While the Industrial Revolution enabled massive profits to be realized for many, what was one negative impact of industrialization discussed in the video?
  - Pollution. Coal powered factories turned the city into black spaces. Urban slums increased. Following the pollution, conditions for workers were awful. Child labour was

common. There is a story in the video from the perspective of a 10-year-old factory worker. This begun the history of unions.

**Panorama Documentary. 2017. “Ultimate Destination for Investment | A corporate film on BEPZA.”** YouTube video, 9:01. Posted January 2017.  
<https://www.youtube.com/watch?v=AVQ-ozC3b0E>

1. How is the government of Bangladesh using its strategic location to attract investment?
  - The video highlights how each of the eight functioning EPZs across Bangladesh are highly connected either via rail, air, or water. The safety of the country and the various modes of transportation are highlighted. Additionally, the video highlights the high population (i.e., workforce) that is available *and ready* to work within Bangladesh.
2. What is the relationship between the EPZs described in the video and industrialization from the previous video?
  - The previous video criticizes how industrialization created a class of workers that were often exploited and resulted in union formation. The EPZ video highlights that in Bangladesh, the average monthly pay is \$70 per person—the lowest in Asia. EPZs risk becoming places where workers may be exploited and, often, unions and other worker safety organizations are illegal.