

KEY ISSUE 4

Why Are Situation and Site Factors Changing?

- Changes within Developed Regions
- Emerging Industrial Regions
- Renewed Attraction of Traditional Industrial Regions

Learning Outcome 11.4.1

Explain reasons for changing distribution of industry within the United States.

Industry is on the move around the world. Changing site factors have been especially important in stimulating industrial growth in new regions internationally and within developed countries. At the same time, some industries remain in the traditional regions, primarily because of changing situation factors.

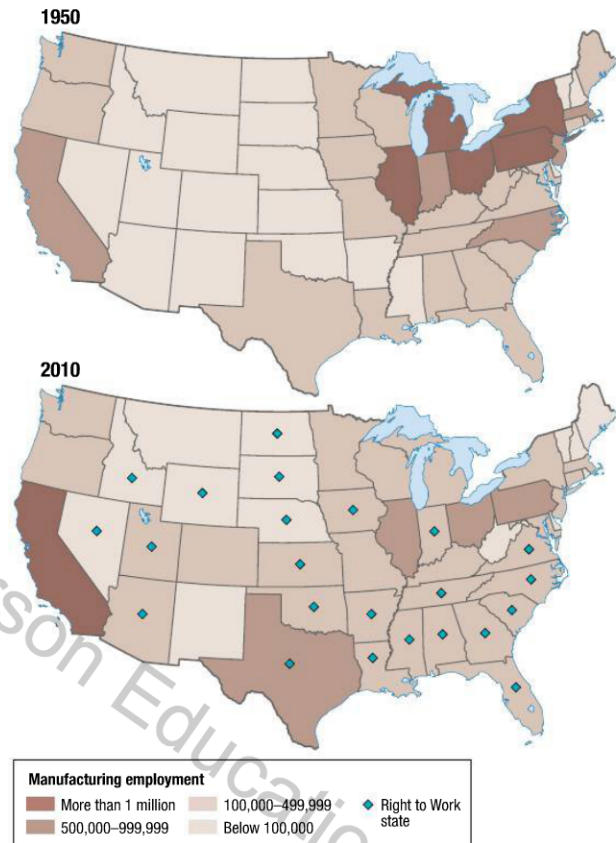
Changes within Developed Regions

Within developed countries, industry is shifting away from the traditional industrial areas of northwestern Europe and the northeastern United States. In the United States, industry has shifted from the Northeast toward the South and West. In Europe, government policies have encouraged relocation toward economically distressed peripheral areas.

SHIFTS WITHIN THE UNITED STATES

The northeastern United States lost 6 million jobs in manufacturing between 1950 and 2010 (Figure 11-39). Especially large declines were recorded by New York State and Pennsylvania, states that once served as centers for clothing, textile, steel, and fabricated metal manufacturing. Meanwhile, 2 million manufacturing jobs were added in the South and West between 1950 and 2009. California and Texas had the largest increases.

Industrialization during the late nineteenth and early twentieth centuries largely bypassed the South, which had not recovered from losing the Civil War. The South lacked the infrastructure needed for industrial development: Road and rail networks were less intensively developed in the South, and electricity was less common than in the North. As a result, the South was the poorest region of the United States. Industrial growth in the South since the 1930s has been stimulated in part by government policies



▲ FIGURE 11-39 CHANGING U.S. MANUFACTURING Manufacturing has decreased in the Northeast.

to reduce historical disparities. The Tennessee Valley Authority brought electricity to much of the rural South, and roads were constructed in previously inaccessible sections of the Appalachians, the Piedmont, and the Ozarks. Air-conditioning made living and working in the South more tolerable during the summer.

Steel, textiles, tobacco products, and furniture industries have become dispersed through smaller communities in the South, many in search of a labor force willing to work for less pay than in the North and forgo joining a union. The Gulf Coast has become an important industrial area because of its access to oil and natural gas. Along the Gulf Coast are oil refining, petrochemical manufacturing, food processing, and aerospace product manufacturing.

RIGHT-TO-WORK LAWS. The principal lure for many manufacturers has been right-to-work laws. A **right-to-work law** requires a factory to maintain a so-called “open shop” and prohibits a “closed shop.” In a “closed shop,” a company and a union agree that everyone must join the union to work in the factory. In an “open shop,” a union and a company may not negotiate a contract that requires workers to join a union as a condition of employment.

Twenty-three U.S. states (refer to Figure 11-39) have right-to-work laws that make it much more difficult for unions to organize factory workers, collect dues, and bargain with employers from a position of strength. Right-to-work laws send a powerful signal that antiunion attitudes will be tolerated and perhaps even actively supported. As a result, the percentage of workers who are members of a union is much lower in the South than elsewhere in the United States. More importantly, the region has been especially attractive for companies working hard to keep out unions altogether.

Pause and Reflect 11.4.1

Laws to curb unions have been enacted or proposed in several U.S. states in the past few years. What are the arguments in favor of and against restricting unions?

TEXTILE PRODUCTION. The textile and apparel industry has been especially prominent in opening production in lower-wage locations while shutting down production in higher-wage locations. The U.S. textile and apparel industry was heavily concentrated in the Northeast during the early twentieth century, and then it shifted to the South and West.

Most textile and apparel production in the United States moved from the Northeast to the Southeast during the mid-twentieth century. Favored sites were small towns in the Appalachian, Piedmont, and Ozark mountains, especially western North and South Carolina and northern Georgia and Alabama. The area is home to 99 percent of U.S. hosiery and sock producers, half of them in North Carolina.

In the mid-twentieth century, prevailing wage rates were much lower in the Southeast than elsewhere in the United States. Even more important for manufacturers, workers in the Southeast showed little interest in joining the unions established by Northeastern textile and apparel workers to bargain for higher wages and safer working conditions.

INTERREGIONAL SHIFTS IN EUROPE

Manufacturing has diffused from traditional industrial centers in northwestern Europe toward Southern and Eastern Europe. In contrast to the United States, European government policies have explicitly encouraged this industrial relocation (Figure 11-40). The European Union Structural Funds provide assistance to what it calls convergence regions and competitive and employment regions:

- Convergence regions are primarily in Eastern and Southern Europe, where incomes lag behind Europe's average.
- Competitive and employment regions are primarily Western Europe's traditional core industrial areas, which have experienced substantial manufacturing job losses in recent years.



▲ FIGURE 11-40 EUROPEAN UNION STRUCTURAL FUNDS The European Union provides subsidies to regions with economic difficulties because of declining industries, as well as to regions that have lower-than-average incomes.

The Western European country with the most rapid manufacturing growth during the late twentieth century was Spain, especially after its admission to the European Union in 1986. Until then, Spain's manufacturing growth had been impeded by physical and political isolation. Spain's motor-vehicle industry has grown into the second largest in Europe, behind only Germany's, although it is entirely foreign owned. Spain's leading industrial area is Catalonia, in the northeast, centered on the city of Barcelona. The region has the country's largest motor-vehicle plant and is the center of Spain's textile industry as well. Spain's industry, though, has been especially hard hit by the severe recession of the early twenty-first century.

Several European countries situated east of Germany and west of Russia have become major centers of industrial investment since the fall of communism in the early 1990s. Poland, Czech Republic, and Hungary have had the most industrial development, though other countries in the region have shared in the growth. The region prefers to be called *Central Europe*, reverting to a common pre-Cold War term, to signify its more central location in Europe's changing economy. Central Europe offers manufacturers an attractive combination of two important site and situation factors: labor and market proximity. Central Europe's workers offer manufacturers good value for money; they are less skilled but much cheaper than in Western Europe, and they are more expensive but much more skilled than in Asia and Latin America. At the same time, the region offers closer proximity to the wealthy markets of Western Europe than other emerging industrial centers.

Emerging Industrial Regions

Learning Outcome 11.4.2

Explain reasons for the emergence of new industrial regions.

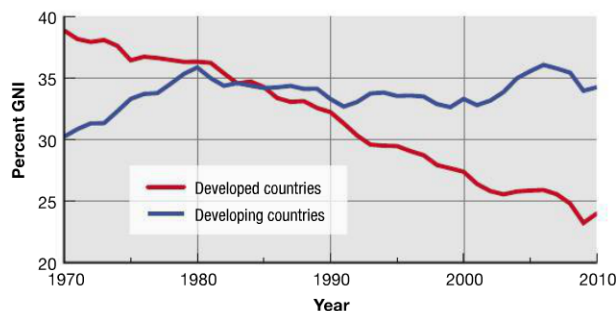
In 1970, nearly one-half of world industry was in Europe and nearly one-third was in North America; now these two regions account for only one-fourth each. Industry's share of total economic output has steadily declined in developed countries since the 1970s (Figure 11-41). The share of world industry in other regions has increased—from one-sixth in 1970 to one-half in 2010.

Labor is the site factor that is changing especially dramatically in the twenty-first century. To minimize labor costs, some manufacturers are locating in places where prevailing wage rates are lower than in traditional industrial regions. Labor-intensive industries have been especially attracted to emerging industrial regions.

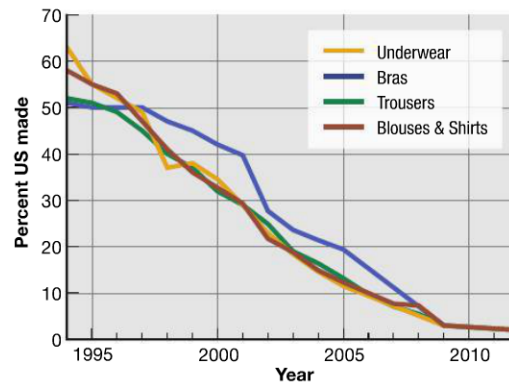
For example, the number of apparel workers in the United States declined from 900,000 in 1990 to 500,000 in 2000 and to 150,000 in 2010. During this period, most apparel sold in the United States switched from being domestically made to being foreign made (Figure 11-42). As apparel from other countries has become less expensive and less complicated to import into the United States, mills in the Southeast paying wages of \$10 to \$15 per hour have been unable to compete with manufacturers in countries paying less than \$1 per hour. European countries have been even harder hit by international competition. Compensation for manufacturing employees exceeds \$30 per hour in much of Europe.

OUTSOURCING

Transnational corporations have been especially aggressive in using low-cost labor in developing countries. To remain competitive in the global economy, they carefully review their production processes to identify steps that can be performed by low-paid, low-skilled workers in developing countries. Despite the greater transportation cost, transnational corporations can profitably transfer some work



▲ FIGURE 11-41 MANUFACTURING VALUE AS A PERCENTAGE OF GNI Manufacturing has accounted for a much higher share of GNI in developing countries than in developed countries since the 1990s.



▲ FIGURE 11-42 U.S. CLOTHING The percentage of clothing made in the United States declined from around 50 percent in the 1990s to around 2 percent today.

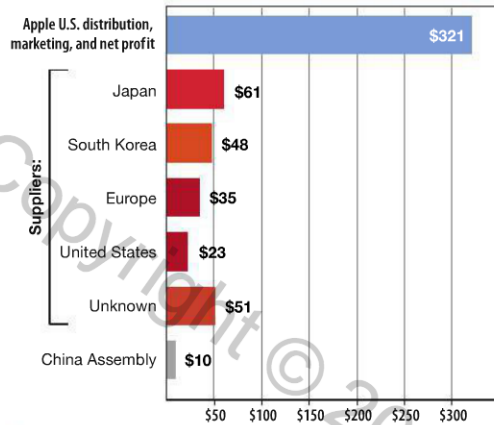
to developing countries, given their substantially lower wages compared to those in developed countries. At the same time, operations that require highly skilled workers remain in factories in developed countries. This selective transfer of some jobs to developing countries is known as the **new international division of labor**.

Transnational corporations allocate production to low-wage countries through **outsourcing**, which is turning over much of the responsibility for production to independent suppliers. Outsourcing contrasts with the approach typical of traditional mass production, called **vertical integration**, in which a company controls all phases of a highly complex production process. Vertical integration was traditionally regarded as a source of strength for manufacturers because it gave them the ability to do and control everything. Carmakers once made nearly all their own parts, for example, but now most of this operation is outsourced to other companies that are able to make the parts cheaper and better. As another example, the parts in an iPhone are made by independent companies.

Outsourcing has had a major impact on the distribution of manufacturing because each step in the production process is now scrutinized closely in order to determine the optimal location. For example, most of the cost of an iPhone is in the parts, which are made by relatively skilled workers in Japan, Germany, and South Korea. Most of the profits go to the United States, where Apple is based. But one step in the production process is especially labor intensive—snapping all the parts together at an assembly plant—and this step is done in China, by relatively low-wage, low-skilled workers (Figure 11-43).

MEXICO AND NAFTA

Manufacturing has been increasing in Mexico. The North American Free Trade Agreement (NAFTA), effective in 1994, eliminated most barriers to moving goods among Mexico, the United States, and Canada. Because it is the nearest low-wage country to the United States, Mexico attracts labor-intensive industries that also need proximity to the U.S. market.



▲ FIGURE 11-43 **IPHONE PRODUCTION** iPhones are assembled in China from parts made in the United States, Europe, and East Asia.

Plants in Mexico near the U.S. border are known as **maquiladoras**. The term originally applied to a tax when Mexico was a Spanish colony. Under U.S. and Mexican laws, companies receive tax breaks if they ship materials from the United States, assemble components at a *maquiladora* plant in Mexico, and export the finished product back to the United States. More than 1 million Mexicans are employed at over 3,000 *maquiladoras*.

Integration of North American industry has generated fear in the United States and Canada:

- Labor leaders fear that more manufacturers relocate production to Mexico to take advantage of lower wage rates. Labor-intensive industries such as food processing and textile manufacturing are especially attracted to regions where prevailing wage rates are lower.
- Environmentalists fear that NAFTA encourages firms to move production to Mexico because laws governing air- and water-quality standards are less stringent than in the United States and Canada. Mexico has adopted regulations to reduce air pollution in Mexico City; catalytic converters have been required on Mexican automobiles since 1991. But environmentalists charge that environmental protection laws are still not strictly enforced in Mexico.

Mexico faces its own challenges: It lost a quarter-million *maquiladora* jobs during the first decade of the twenty-first century. Electronics firms were especially likely to pull out of Mexico. The reason: Although much lower than in the United States, Mexican wages at \$6 an hour were higher than \$1 wages in China and India. Despite the higher site costs, however, Mexico still competes effectively with China because of situation factors. Because of its proximity, Mexico has much lower shipping costs to the United States than does China.

Pause and Reflect 11.4.2

Can you identify any products in your house that were made in Mexico?

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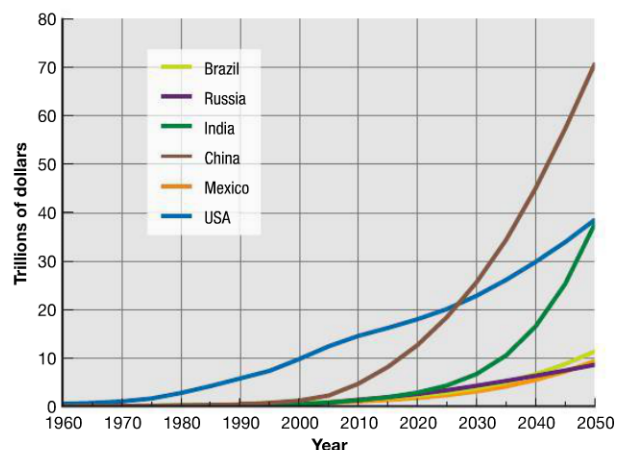
BRIC AND BRICS

Much of the world's future growth in manufacturing is expected to locate outside the principal industrial regions described earlier. The investment banking firm Goldman Sachs coined the acronym BRIC to indicate the countries it expects to dominate global manufacturing during the twenty-first century: Brazil, Russia, India, and China. The foreign ministers of these four countries started meeting in 2006. The four BRIC countries together currently control one-fourth of the world's land area and contain 3 billion of the world's 7 billion inhabitants, but the four countries combined account for only one-sixth of world GDP (Figure 11-44). Their economies rank second (China), seventh (Brazil), ninth (Russia), and eleventh (India) in the world.

China is expected to pass the United States as the world's largest economy around 2020, and India is expected to become second around 2035. In 2050, Brazil and Russia are expected to rank sixth and seventh. Two other developing countries, Indonesia and Nigeria, are expected to be fourth and fifth. Thus, in 2050 the United States would be the only developed country to rank among the world's seven largest economies.

China and India have the two largest labor forces, whereas Russia and Brazil are especially rich in inputs critical for industry. As an industrial region, BRIC has the obvious drawback of Brazil's being on the other side of the planet from the other three. China, India, and Russia could form a contiguous region, but long-standing animosity among them has limited their economic interaction so far. Still, the BRIC concept is that if the four giants work together, they can be the world's dominant industrial bloc in the twenty-first century.

In 2010, South Africa was invited to join a meeting with the other four emerging countries, and the group adopted the acronym BRICS. Although South Africa has the largest economy, population, and land area in the southern portion of sub-Saharan Africa, it is much smaller by all of these measures than the four original BRIC members.



▲ FIGURE 11-44 **GDP FOR BRIC COUNTRIES** The BRIC countries are expected to increase GDP relatively rapidly during the twenty-first century.

Renewed Attraction of Traditional Industrial Regions

Learning Outcome 11.4.3

Explain reasons for renewed attraction of traditional industrial regions.

Given the strong lure of low-cost labor in new industrial regions, why would any industry locate in one of the traditional regions, especially in the northeastern United States or northwestern Europe? Two location factors influence industries to remain in these traditional regions: availability of skilled labor and rapid delivery to market.

PROXIMITY TO SKILLED LABOR

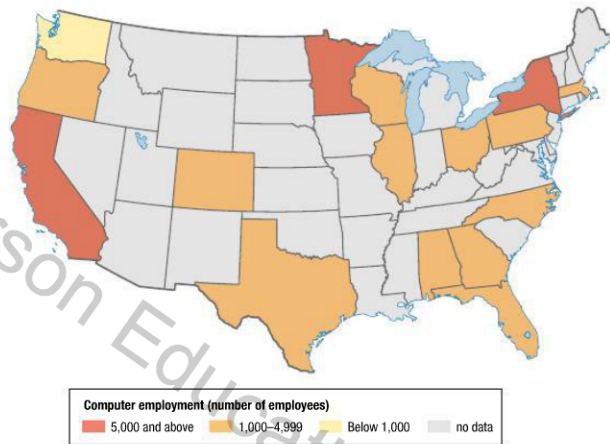
Henry Ford boasted that he could take people off the street and put them to work with only a few minutes of training. That has changed for some industries, which now want skilled workers instead. The search for skilled labor has important geographic implications because it is an asset found principally in the traditional industrial regions.

Traditionally, factories assigned each worker one specific task to perform repeatedly. Some geographers call this approach **Fordist production**, or mass production, because the Ford Motor Company was one of the first companies to organize its production this way early in the twentieth century. At its peak, Ford's factory complex along the River Rouge in Dearborn, Michigan, near Detroit, employed more than 100,000. Most of these workers did not need education or skills to do their jobs, and many were immigrants from Europe or the southern United States.

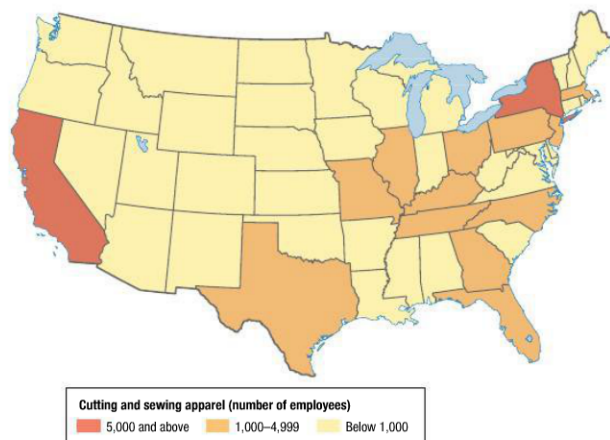
Many industries now follow a lean, or flexible, production approach. The term **post-Fordist production** is sometimes used to describe lean production, in contrast with Fordist production. Another carmaker is best known for pioneering lean production—in this case, Toyota. Four types of work rules distinguish post-Fordist lean production:

- **Teams.** Workers are placed in teams and told to figure out for themselves how to perform a variety of tasks. Companies are locating production in communities where workers are willing to adopt more flexible work rules.
- **Problem solving.** A problem is addressed through consensus after consulting with all affected parties rather than through filing a complaint or grievance.
- **Leveling.** Factory workers are treated alike, and managers and veterans do not get special treatment; they wear the same uniform, eat in the same cafeteria, park in the same lot, and participate in the same athletic and social activities.
- **Productivity.** Factories have become more productive through introduction of new machinery and processes. Rather than requiring physical strength, these new machines and processes require skilled operators, typically with college degrees.

Computer manufacturing is an example of an industry that has concentrated in relatively high-wage, high-skilled communities of the United States (Figure 11-45). Even the clothing industry has not completely abandoned the Northeast. Dresses, woollens, and other “high-end” clothing products are still made in the region. They require more skill in cutting and assembling the material, and skilled textile workers are more plentiful in the Northeast and California than in the South (Figure 11-46).



▲ **FIGURE 11-45 COMPUTER AND PERIPHERAL EQUIPMENT MANUFACTURING** Manufacturers of computing equipment seek access to skilled workers to perform precision tasks. The assembly work that requires lower-skilled workers is done abroad, mostly in Asia, as shown in the case of the iPhone (Figure 11-46).



▲ **FIGURE 11-46 THE APPAREL INDUSTRY** What's left of the U.S. apparel industry is concentrated in California and the Northeast.

JUST-IN-TIME DELIVERY

Proximity to market has long been important for many types of manufacturers, as discussed earlier in this chapter. This factor has become even more important in recent years because of the rise of **just-in-time delivery**. As the name implies, just-in-time is shipment of parts and materials to arrive at a factory moments before they are needed. Just-in-time delivery is especially important for delivery of inputs, such as parts and raw materials, to manufacturers of fabricated products, such as cars and computers.

Under just-in-time, parts and materials arrive at a factory frequently, in many cases daily or even hourly. Suppliers of the parts and materials are told a few days in advance how much will be needed over the next week or two, and first thing each morning, they are told exactly what will be needed at precisely what time that day. To meet a tight timetable, a supplier of parts and materials must locate factories near its customers. If given only an hour or two of notice, a supplier has no choice but to locate a factory within 50 miles or so of the customer.

Just-in-time delivery reduces the money that a manufacturer must tie up in wasteful inventory. In fact, the percentage of the U.S. economy tied up in inventory has been cut in half during the past three decades. Manufacturers also save money through just-in-time delivery by reducing the size of the factory because space does not have to be wasted on piling up a mountain of inventory. Leading computer manufacturers have eliminated inventory altogether. They build computers only in response to customer

orders placed primarily over the Internet or by telephone. In some cases, just-in-time delivery merely shifts the burden of maintaining inventory to suppliers. Wal-Mart, for example, holds low inventories but tells its suppliers to hold high inventories “just in case” a sudden surge in demand requires restocking on short notice.

Just-in-time delivery means that producers have less inventory to cushion against disruptions in the arrival of needed parts. Three kinds of disruptions can result from reliance on just-in-time delivery:

- **Labor unrest.** A strike at one supplier plant can shut down the entire production within a couple of days. A strike in the logistics industry, such as a strike by truckers or dockworkers, could also disrupt deliveries.
- **Traffic.** Deliveries may be delayed when traffic is slowed by accident, construction, or unusually heavy volume. Trucks and trains are both subject to these types of delays, especially crossing international borders.
- **Natural hazards.** Poor weather conditions can afflict deliveries anywhere in the world. Blizzards and floods can close highways and rail lines. The 2011 earthquake and tsunami in Japan put many factories and transportation lines out of service for months. Carmakers around the world had to curtail production because key parts had been made at the damaged factories. Superstorm Sandy, which hit the East Coast of the United States in 2012, severely disrupted transportation and delivery of goods and energy in the most densely population region of the country (Figure 11-47).

► **FIGURE 11-47 NATURAL HAZARDS: SUPERSTORM SANDY** Superstorm Sandy, which hit the East Coast of the United States in 2012, disrupted travel for several days. In New York City, subways and tunnels were closed because of flooding. People walked across the Brooklyn Bridge to get to work, while private cars, taxis, and delivery trucks sat bumper-to-bumper on the bridge.



A GLOBAL INDUSTRY: WHAT IS AN AMERICAN CAR?

Distinctions between “American” and “foreign” motor vehicles have been blurred for the past three decades. Popular media have delighted in showcasing examples of “American” vehicles produced by the Detroit 3 (Chrysler, Ford, and General Motors) that have lower U.S. content than those produced by “Japanese” carmakers such as Honda and Toyota. The U.S. government distinguishes between domestic and foreign vehicles in three ways:

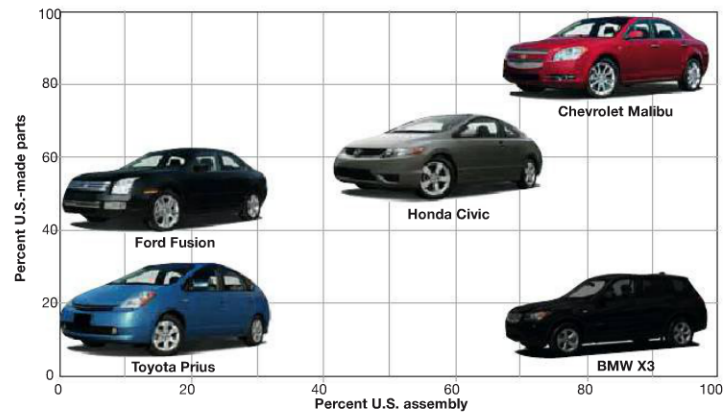
- For measuring fuel efficiency, the U.S. Environmental Protection Agency considers a vehicle domestic if at least 75 percent of its content comes from North America, originally defined as the United States and Canada, and, after enactment of the North American Free Trade Agreement (NAFTA), including Mexico.
- For setting import tariffs, the U.S. Department of Treasury Customs Service considers as domestic a vehicle having at least 50 percent U.S. and Canadian content.
- For informing consumers, the American Automobile Labeling Act of 1992 considers a vehicle domestic if at least 85 percent of the parts originate in the United States and Canada; a part is counted as domestic if at least 70 percent of its overall content comes from the United States and Canada.

According to data derived from Labeling Act reports, vehicles built by foreign-owned carmakers at assembly plants located in the United States have around 60 percent domestic content. Domestic content for the Detroit 3 is 76 percent. The lower domestic content for foreign carmakers masks differences among individual companies. Honda and Toyota have a level of U.S. content comparable to that of the Detroit 3. German-owned carmakers such as BMW and Daimler-Benz have much lower percentages.

After opening assembly plants in the United States during the 1980s, Japanese-owned carmakers convinced many of their Japanese-owned suppliers to build factories in the United States. The gap in domestic content has also narrowed because the Detroit 3 bought more foreign parts. More than one-fourth of all new vehicle parts are imported. Mexico has become the leading source of imported parts, and China has been increasing its share rapidly.

Figure 11-48 shows the extent to which several popular vehicles are “American.” The x axis shows the percentage of these vehicles sold in the United States that were assembled in the United States in 2011. The y axis shows the percentage of U.S.-made parts in these vehicles.

- GM’s Chevrolet Malibu was assembled entirely in the United States with all but a handful of U.S.-made parts.
- Toyota’s Prius was assembled in Japan with Japanese-made parts.
- Ford’s Fusion was assembled in Mexico with about one-half U.S. parts.



▲ **FIGURE 11-48** “AMERICAN” AND “FOREIGN” CARS The x axis shows the percentage of these vehicles sold in the United States that were assembled in the United States in 2011. The y axis shows the percentage of U.S.-made parts in these vehicles.

- BMW’s X3 was assembled in the United States with parts mostly imported from Germany.
- Honda Civics were assembled either in the United States with mostly U.S.-made parts, assembled in Canada with mostly U.S.-made parts, or imported from Japan with mostly Japanese-made parts.

Pause and Reflect 11.4.3

Why might weather conditions encourage companies to locate factories in the U.S. South rather than the North?

CHECK-IN: KEY ISSUE 4

Why Are Situation and Site Factors Changing?

- ✓ Industry is moving from the North to the South within the United States; in many cases, lower-cost nonunion labor is the principal factor.
- ✓ Low-cost labor is also inducing firms to locate in countries that are not part of the traditional industrial regions.
- ✓ On the other hand, some industry is attracted to traditional industrial regions because of the need for skilled labor or rapid delivery to consumers.

Summary

KEY ISSUE 1

Where Is Industry Distributed?

The concept of manufacturing goods in a factory originated with the Industrial Revolution in the United Kingdom.

LEARNING OUTCOME 11.1.1: Describe the locations of the principal industrial regions.

- Most of the world's industry is clustered in the three regions: Europe, North America, and East Asia.

THINKING GEOGRAPHICALLY 11.1: What are the principal manufacturers in your community or area? How have they been affected by increasing global competition?

GOOGLE EARTH 11.1: Coalbrookdale, England, is considered the birthplace of the Industrial Revolution, because a factory here was the first to produce high-quality iron using coal. What structure, visible in 3D, was the first in the world to be made of cast iron?



Key Terms

Acid deposition (p. 414) Sulfur oxides and nitrogen oxides, emitted by burning fossil fuels, that enter the atmosphere—where they combine with oxygen and water to form sulfuric acid and nitric acid—and return to Earth's surface.

Acid precipitation (p. 414) Conversion of sulfur oxides and nitrogen oxides to acids that return to Earth as rain, snow, or fog.

Air pollution (p. 412) Concentration of trace substances, such as carbon monoxide, sulfur dioxide, nitrogen oxides, hydrocarbons, and solid particulates, at a greater level than occurs in average air.

Apparel (p. 410) An article of clothing.

Biochemical oxygen demand (BOD) (p. 417) The amount of oxygen required by aquatic bacteria to decompose a given load of organic waste; a measure of water pollution.

Break-of-bulk point (p. 402) A location where transfer is possible from one mode of transportation to another.

Bulk-gaining industry (p. 400) An industry in which the final product weighs more or comprises a greater volume than the inputs.

Bulk-reducing industry (p. 398) An industry in which the final product weighs less or comprises a lower volume than the inputs.

Chlorofluorocarbon (CFC) (p. 413) A gas used as a solvent, a propellant in aerosols, a refrigerant, and in plastic foams and fire extinguishers.

Cottage industry (p. 395) Manufacturing based in homes rather than in factories, commonly found prior to the Industrial Revolution.

Ferrous (p. 398) Metals, including iron, that are utilized in the production of iron and steel.

Fordist production (p. 422) A form of mass production in which each worker is assigned one specific task to perform repeatedly.

Greenhouse effect (p. 412) The anticipated increase in Earth's temperature caused by carbon dioxide (emitted by burning fossil fuels) trapping some of the radiation emitted by the surface.

Industrial Revolution (p. 395) A series of improvements in industrial technology that transformed the process of manufacturing goods.

Just-in-time delivery (p. 423) Shipment of parts and materials to arrive at a factory moments before they are needed.

Labor-intensive industry (p. 408) An industry for which labor costs comprise a high percentage of total expenses.

KEY ISSUE 2

Why Are Situation and Site Factors Important?

Manufacturers select locations for factories based on assessing a combination of situation and site factors.

LEARNING OUTCOME 11.2.1: Identify the two types of situation factors and explain why some industries locate near inputs.

- Situation factors involve minimizing the cost of shipping from sources of inputs or to markets.
- A location near sources of inputs is optimal for bulk-reducing industries.
- Industries that extract a large amount of minerals tend to be bulk-reducing industries.

LEARNING OUTCOME 11.2.2: Explain why some industries locate near markets.

- Bulk-gaining industries, single-market manufacturers, and perishable products companies tend to locate near markets.

LEARNING OUTCOME 11.2.3: Explain why industries use different types of transportation.

- Trucks are most often used for short-distance delivery, trains for longer trips within a region, ships for ocean crossings, and planes for very high-value packages.
- Some firms locate near break-of-bulk points, where goods are transferred between modes of transportation.

LEARNING OUTCOME 11.2.4:

Describe how the optimal location for steel production has changed.

- Steel production has traditionally been located near inputs, but the relative importance of the two main inputs—coal and iron ore—has changed.
- Some steel production, especially minimills, is now located near the markets.
- Industries that extract a large amount of minerals tend to be bulk-reducing industries.

LEARNING OUTCOME 11.2.5:

Explain the distribution of motor vehicle production.

- Because they are bulk-gaining products, most motor vehicles are assembled near their markets.
- The distribution of motor vehicle production has changed because the distribution of buyers has changed.

LEARNING OUTCOME 11.2.6: List the three types of site factors.

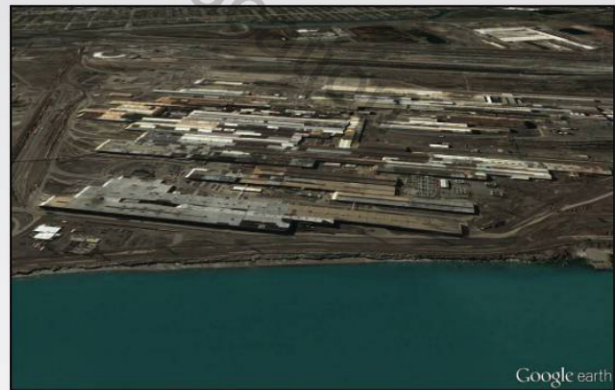
- The three site factors are labor, capital, and land.
- A labor-intensive industry has a high percentage of labor in the production process.

LEARNING OUTCOME 11.2.7: Explain the distribution of textile and apparel production.

- The clothing industry is a labor-intensive industry.
- Three steps in production are spinning, weaving, and sewing. Most spinning and weaving occur in low-wage countries, but some sewing occurs in developed countries near consumers.

THINKING GEOGRAPHICALLY 11.2: To induce Kia to build its U.S. production facility in Georgia, the state spent \$36 million to buy the site; \$25 million to prepare the site, including grading; \$30 million to provide road improvements, including an interchange off I-85; \$6 million to build a rail spur; \$20 million to construct a training center; \$6 million to operate the center for five years; \$6 million to develop a training course; \$76 million in tax credits; \$14 million in sales tax exemptions; and \$41 million in training equipment. Did Georgia overpay to win the Kia factory? Explain.

GOOGLE EARTH 11.2: The largest steel works in the United States, the US Steel complex at Gary, Indiana, sits at the south end of Lake Michigan. How many modes of transport delivering raw materials to the plant can you see?



Maquiladora (p. 421) A factory built by a U.S. company in Mexico near the U.S. border, to take advantage of the much lower labor costs in Mexico.

New international division of labor (p. 420) Transfer of some types of jobs, especially those requiring low-paid, less-skilled workers, from more developed to less developed countries.

Nonferrous (p. 398) Metals utilized to make products other than iron and steel.

Nonpoint-source pollution (p. 416) Pollution that originates from a large, diffuse area.

Outsourcing (p. 420) A decision by a corporation to turn over much of the responsibility for production to independent suppliers.

Ozone (p. 413) A gas that absorbs ultraviolet solar radiation, found in the stratosphere, a zone 15 to 50 kilometers (9 to 30 miles) above Earth's surface.

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Photochemical smog (p. 414) An atmospheric condition formed through a combination of weather conditions and pollution, especially from motor vehicle emissions.

Point-source pollution (p. 416) Pollution that enters a body of water from a specific source.

Post-Fordist production (p. 422) Adoption by companies of flexible work rules, such as the allocation of workers to teams that perform a variety of tasks.

Right-to-work law (p. 418) A U.S. law that prevents a union and a company from negotiating a contract that requires workers to join the union as a condition of employment.

Sanitary landfill (p. 414) A place to deposit solid waste, where a layer of earth is bulldozed over garbage each day to reduce emissions of gases and odors from the decaying trash, to minimize fires, and to discourage vermin.

KEY ISSUE 3

Why Does Industry Cause Pollution?

Industry is a major polluter of air, land, and water.

LEARNING OUTCOME 11.3.1: Describe the causes and effects of global warming and damage to the ozone layer.

- Air pollution occurs at global, regional, and local scales.
- At the global scale, the principal pollution is global warming, caused primarily by burning of fossil fuels in factories and vehicles.

LEARNING OUTCOME 11.3.2: Describe the causes and effects of regional and local-scale air pollution and solid waste pollution.

- Acid deposition is a major form of regional-scale air pollution. Sulfuric acid and nitric acid generated by burning of fossil fuels fall into bodies of water.
- Carbon monoxide, hydrocarbons, and particulates are the major forms of local-scale air pollution.
- Solid waste is typically placed in landfills or incinerated.

LEARNING OUTCOME 11.3.3: Compare and contrast point and nonpoint sources of water pollution.

- Point-source pollution originates from a specific place, such as a pipe, generated principally by factories and sewage disposal.
- Nonpoint sources are generated primarily by agricultural runoff.

THINKING GEOGRAPHICALLY 11.3: What are the major pollutants in or near your community?

GOOGLE EARTH 11.3: The world's largest electronics manufacturer, FoxConn, has a large complex in Longhua, Shenzhen, China. How many different FoxConn buildings are labeled in Longhua?



KEY ISSUE 4

Why Are Situation and Site Factors Changing?

Industry is on the move within developed countries, as well as to emerging developing countries.

LEARNING OUTCOME 11.4.1: Explain reasons for changing distribution of industry within the United States.

- Industry is moving from the North to the South within the United States.
- Lower labor costs and absence of unions are major factors in the migration.

LEARNING OUTCOME 11.4.2: Explain reasons for the emergence of new industrial regions.

- Some jobs have been transferred to low-wage countries as part of the new international division of labor.
- The BRIC countries (Brazil, Russia, India, and China) are expected to be the top industrial powers by the middle of the twenty-first century.

LEARNING OUTCOME 11.4.3: Explain reasons for renewed attraction of traditional industrial regions.

- Traditional industrial regions attract and retain industries that need skilled labor.
- Just-in-time delivery has increased the attraction of locating near consumers.

THINKING GEOGRAPHICALLY 11.4: What have been the benefits and costs to Canada, Mexico, and the United States as a result of NAFTA?

GOOGLE EARTH 11.4: If you fly to Ciudad Acuna, Mexico, several *maquiladora* plants can be seen on the northern edge of the city, near the U.S. border, along the Rio Grande River (Rio Bravo in Spanish). What is the distance from the *maquiladora* complex to the nearest border crossing?



Site factors (p. 398) Location factors related to the costs of factors of production inside a plant, such as land, labor, and capital.

Situation factors (p. 398) Location factors related to the transportation of materials into and from a factory.

Textile (p. 410) A fabric made by weaving, used in making clothing.

Vertical integration (p. 420) An approach typical of traditional mass production in which a company controls all phases of a highly complex production process.

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