7 Development, industry and location – Part 1

Name: _____ Class: _____ Date: _____

Vocabulary

Write each word three times.

English	Write it 3 times (English)		
Primary			
Secondary			
Tertiary			
Quaternary			
Quinary			
at purchasing power parity			
Human Development Index			
Gender Inequality Index			
Weber's least-cost theory			
bulk-reducing industry			
bulk-gaining industry			
Agglomeration			
Rostow's stages of growth			
Wallerstein's world-systems theory			
core			
semi-periphery			
periphery			
Dependency theory			

Recall

You know that some countries are richer than others, and that factories are not built at random.

This sheet covers how development is measured and what decides where industry locates.

New ideas

1 The sectors of an economy

Primary : extracting raw materials – farming, fishing, mining. **Secondary** : manufacturing. **Tertiary** : services. **Quaternary** : information and research. **Quinary** : the highest-level decision-making.

As a country develops, employment shifts up the chain. Naming which sector dominates is often the quickest way to place a country's development level.

2 Measuring development

GDP per capita is the standard single measure and hides distribution entirely. **GNI per capita** adds income earned abroad. Both should be quoted **at purchasing power parity** to be comparable.

The **Human Development Index** combines life expectancy, education (mean and expected years of schooling) and GNI per capita – a composite, which is why it can rank a country differently from income alone.

The **Gender Inequality Index** measures reproductive health, empowerment and labour-market participation. The **Gini coefficient** measures income inequality within a country: 0 is perfect equality, 1 perfect inequality.

3 Where industry locates

Weber's least-cost theory says a factory locates to minimise the sum of transport cost, labour cost and agglomeration effects.

The transport part turns on weight. A **bulk-reducing industry** (steel, ore smelting) loses weight in processing, so it locates near the RAW MATERIAL. A

bulk-gaining industry (soft drinks, car assembly) gains weight or bulk, so it locates near the MARKET. A **footloose** industry has no strong pull either way.

Agglomeration is the clustering of related firms to share suppliers, labour pools and knowledge; **deglomeration** is the dispersal that follows when congestion and land costs outweigh those gains.

■ 4 Development theories

Rostow's stages of growth : traditional society, preconditions for take-off, take-off, drive to maturity, high mass consumption. Its assumption – that every country follows one path, with no reference to colonial history or global position – is the standard criticism.

Wallerstein's world-systems theory divides the world into **core** , **semi-periphery** and **periphery** , and argues the core's wealth depends on extracting value from the periphery. It explains persistent inequality better than Rostow and is weaker on how a country moves between categories.

Dependency theory holds that the periphery's underdevelopment is produced by, not merely coincident with, the core's development.

Practice

Try these in order. The methods are all above.

7.1 Name the economic sector that includes research and information processing. [1]

7.2 Explain one advantage of the Human Development Index over GDP per capita. [2]

7.3 Explain why a bulk-reducing industry locates near its raw material. [2]

7.4 Give one benefit firms gain from agglomeration. [2]

7.5 State one criticism of Rostow's model. [2]