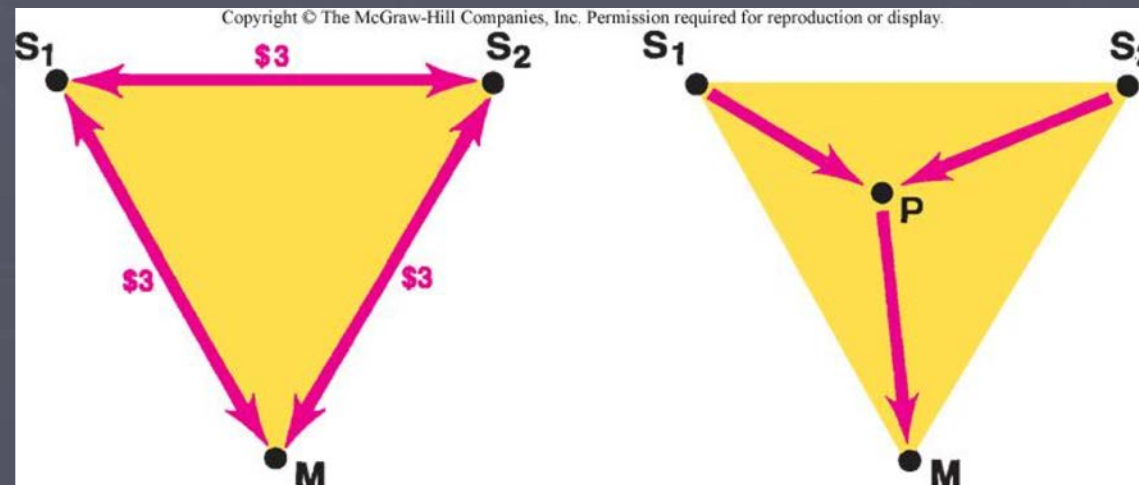# Site and Situation Factors in Industrialization

Factors of Industrial Location

- Site - the location of a certain feature or city
- Situation – the surrounding features (resources, cities, transportation networks)
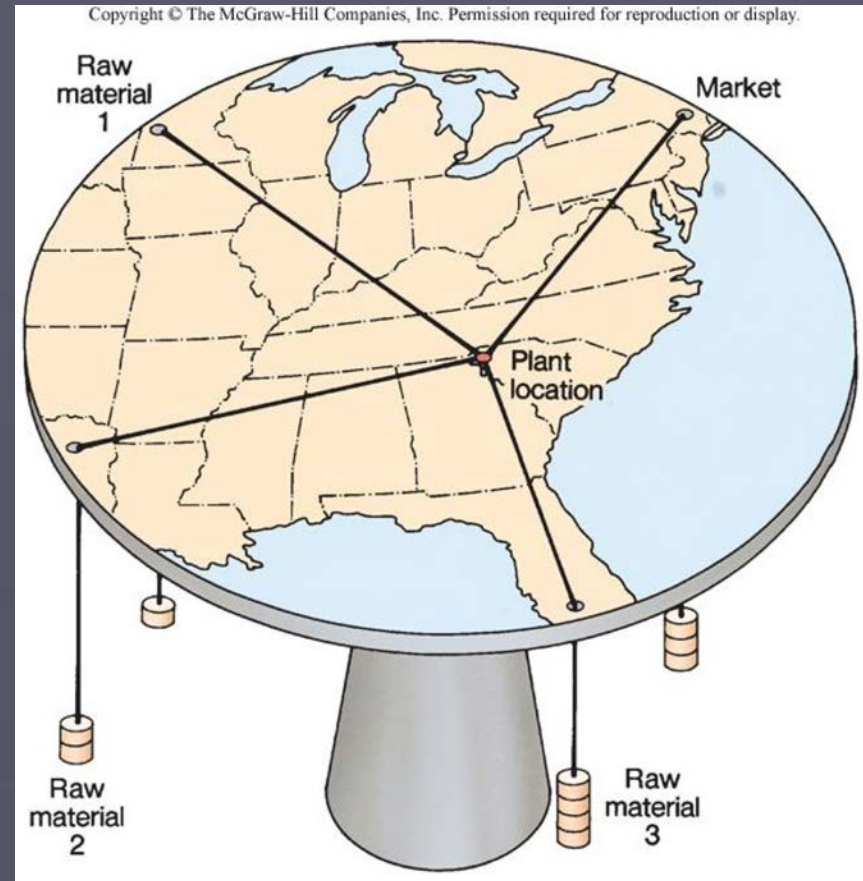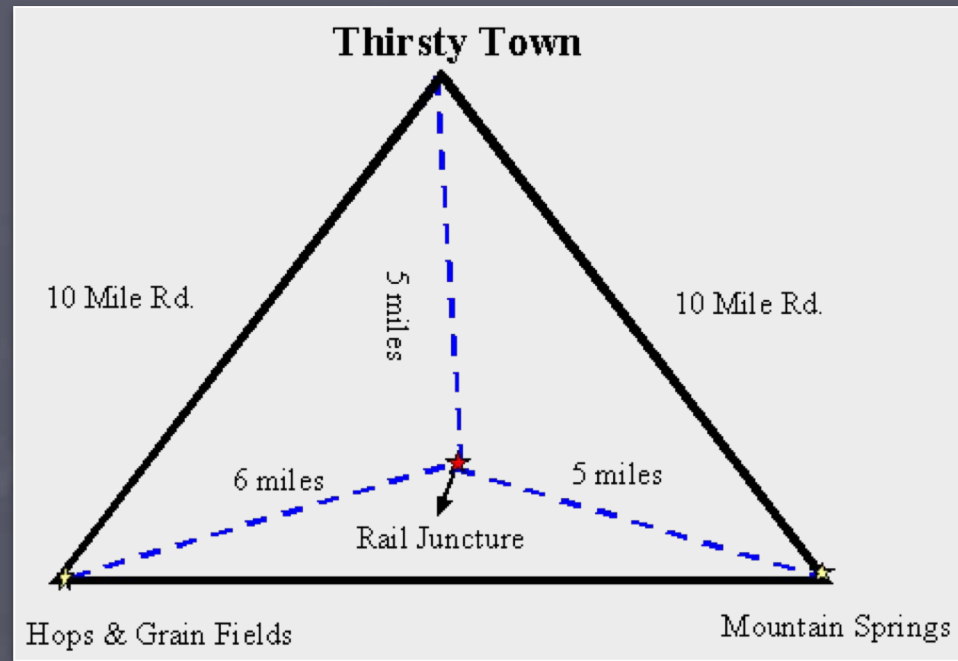
Weber's Theory of Industrial Location

- Industrialists choose location based on minimizing costs and maximizing profits
- Assumptions
  - Market is fixed
  - Transportation costs proportional to weight and distance
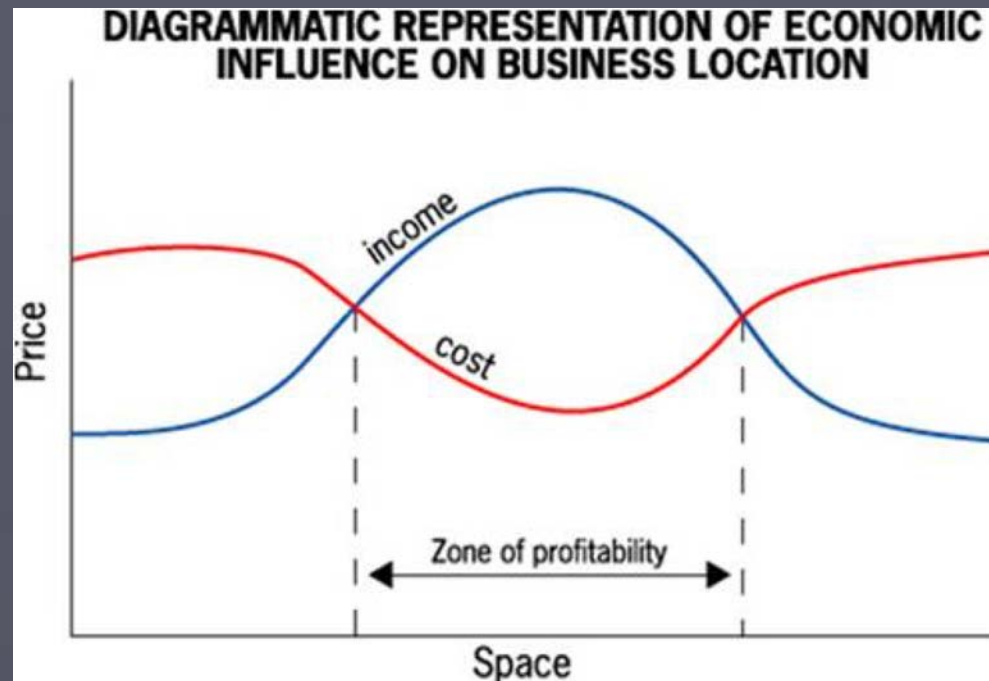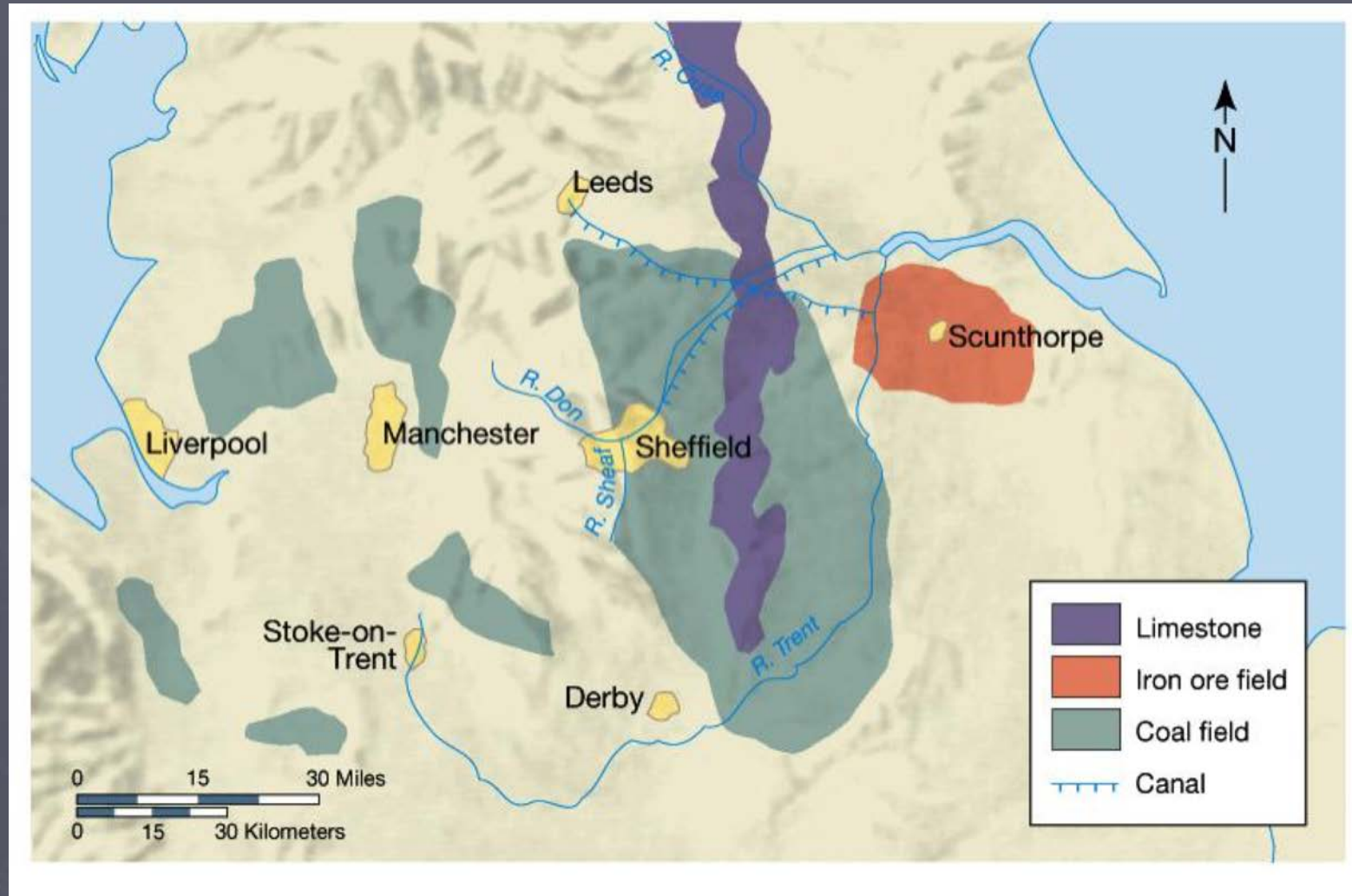 - Perfect competition exists

Equilibrium Point

Losch Model of Profitability

- Businesses find a location where income exceeds costs
  - Figured using proximity to market, natural resources, costs of new development, etc…

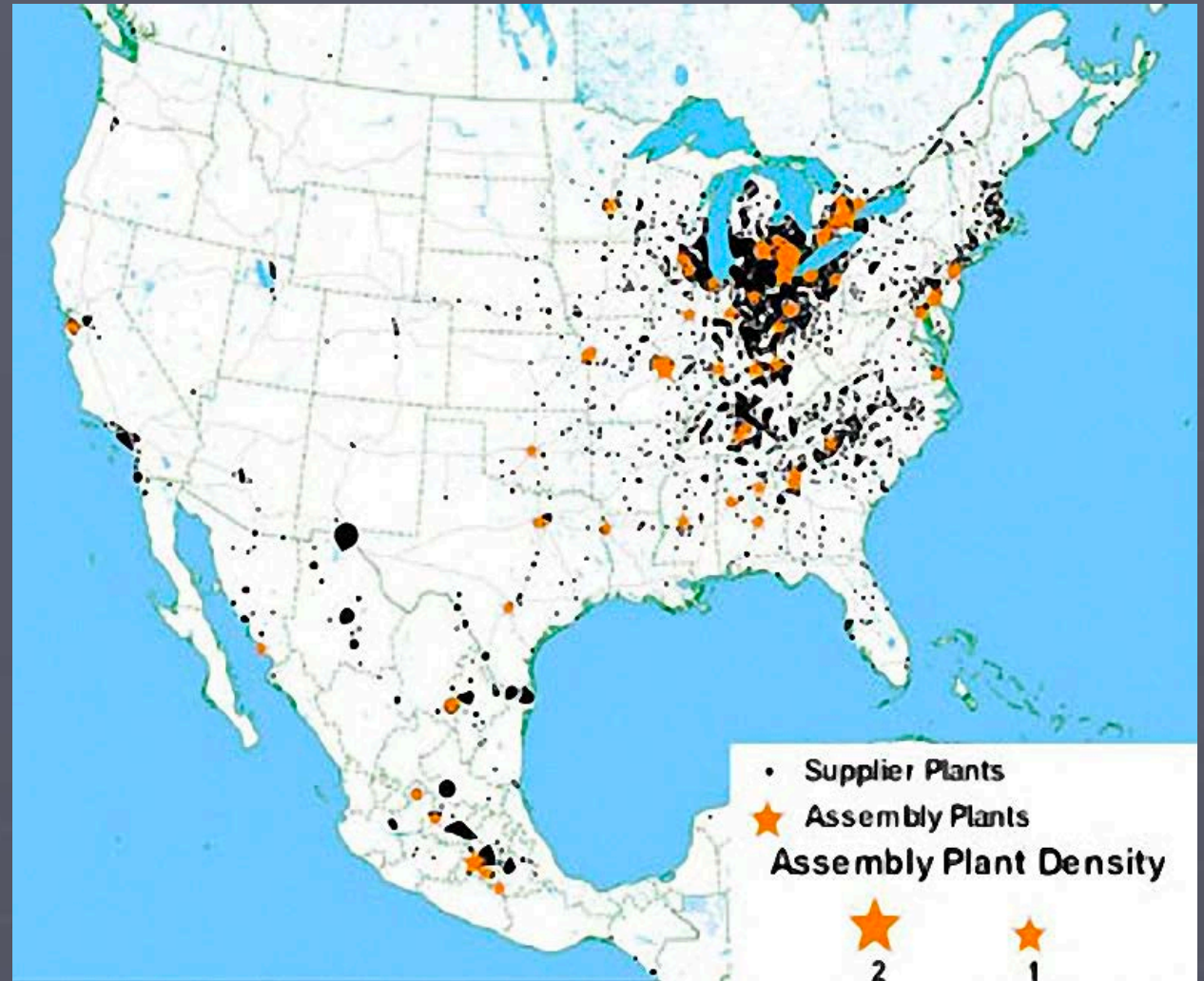DIAGRAMMATIC REPRESENTATION OF ECONOMIC INFLUENCE ON BUSINESS LOCATION

Case Study: British Steel Industry

Agglomeration

- The clustering of industries
  - Based on availability of ancillary (service) industries
  - Build up of infrastructure
  - Mutual benefit of all industries

- Supplier Plants
- ★ Assembly Plants

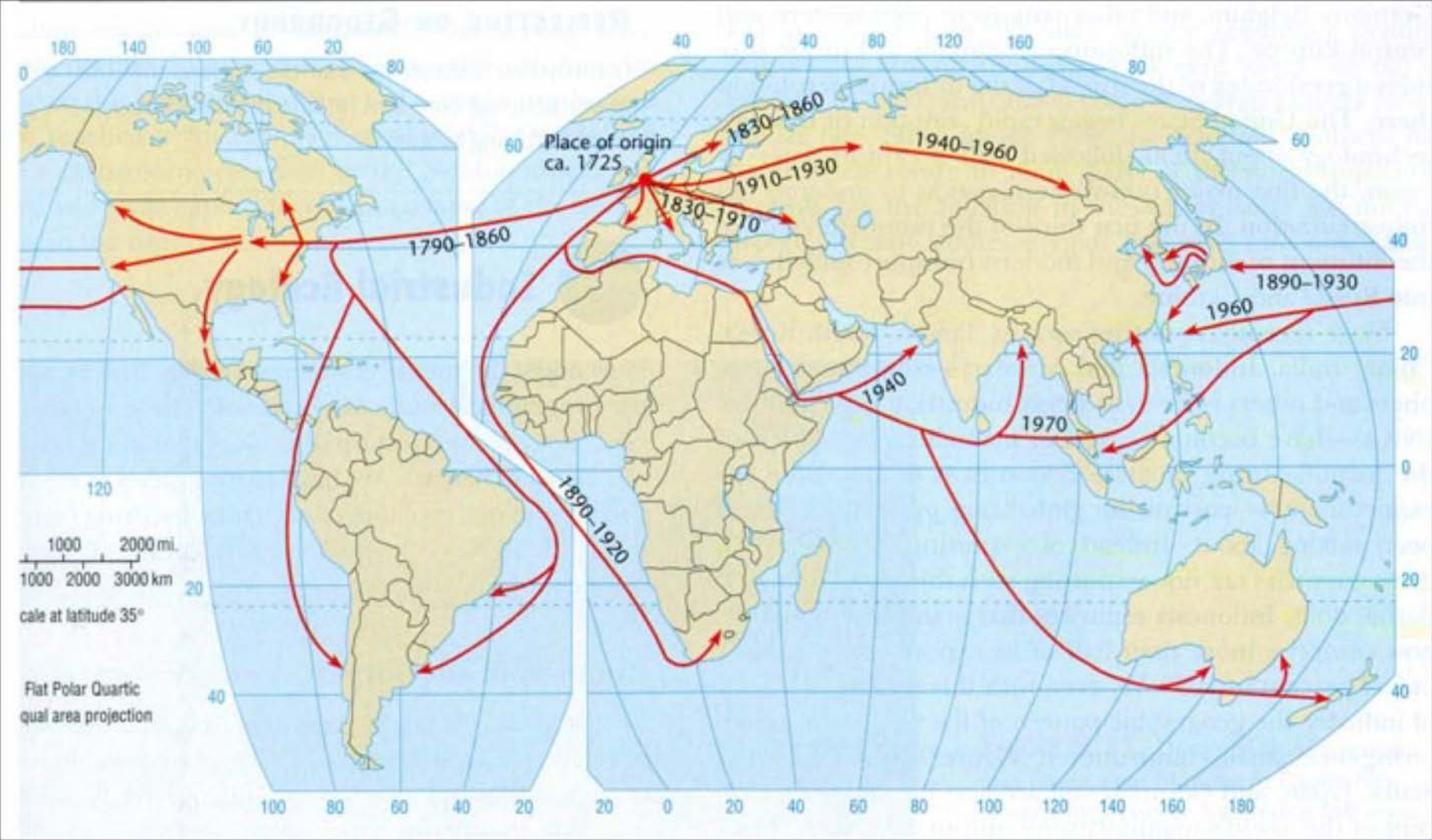**Assembly Plant Density**

★ 2   ★ 1

Early Diffusion of Industrialization

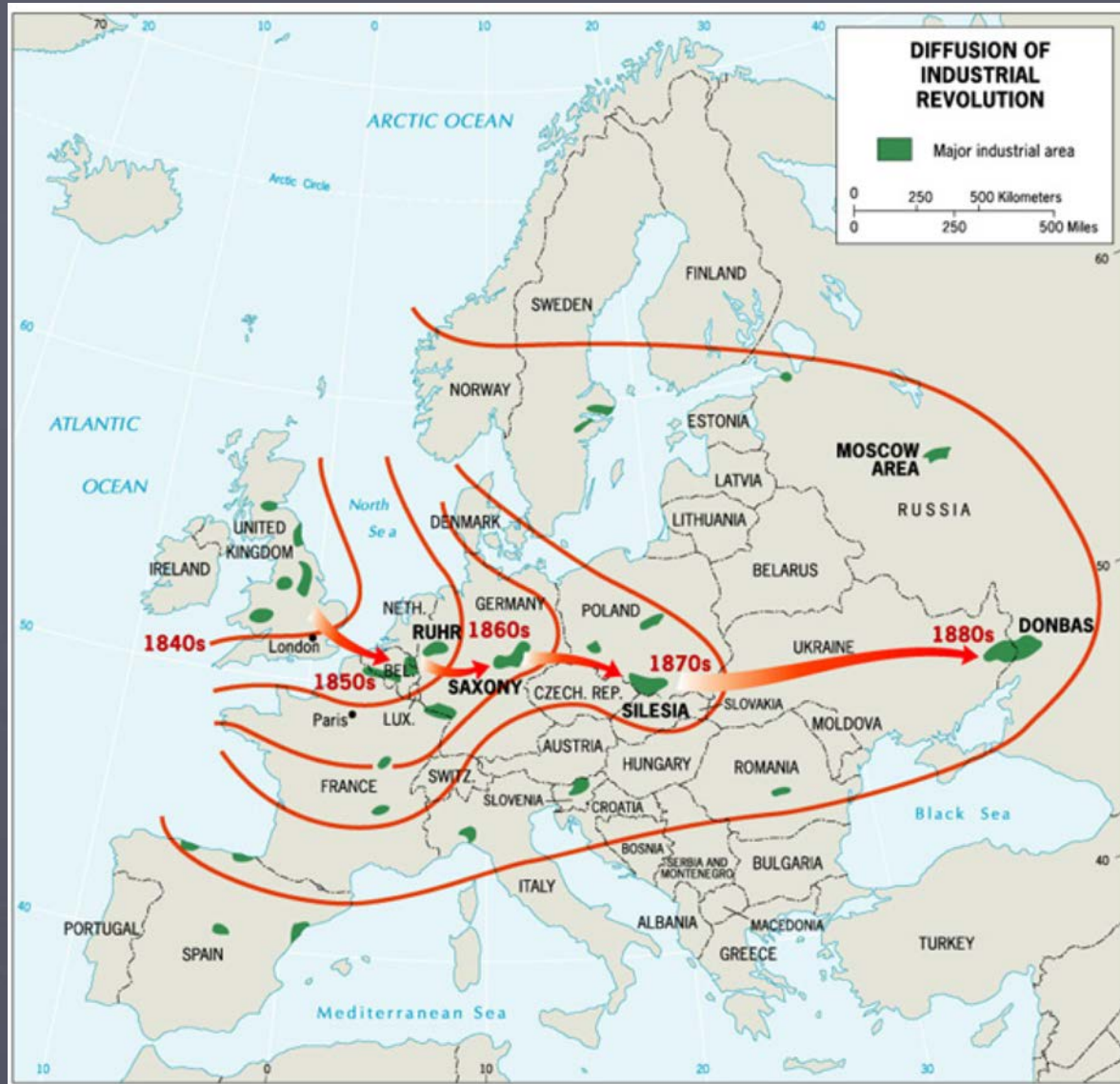- Eastward to Belgium, Northeast France, and Germany
  - Industrial development delayed due to Napoleonic Wars
- Continued diffusion to Northern Italy, Netherlands, Russia and Sweden by late 1800s
- Diffusion to USA by late 1800s
  - Quickly industrialized
    - 2nd largest industrial power by 1865

Diffusion of Industrial Development

Diffusion within Europe

Major Manufacturing Centers: Europe

Early Diffusion of Industry to the Rest of Europe

- Diffusion initially limited due to political instability
  - Unification particularly a problem
  - Lack of infrastructure
- Rhine-Ruhr Valley
  - Northwest Germany, Belgium, Netherlands, Northeastern France
  - Iron and Steel Manufacturing centers
- Po River Valley
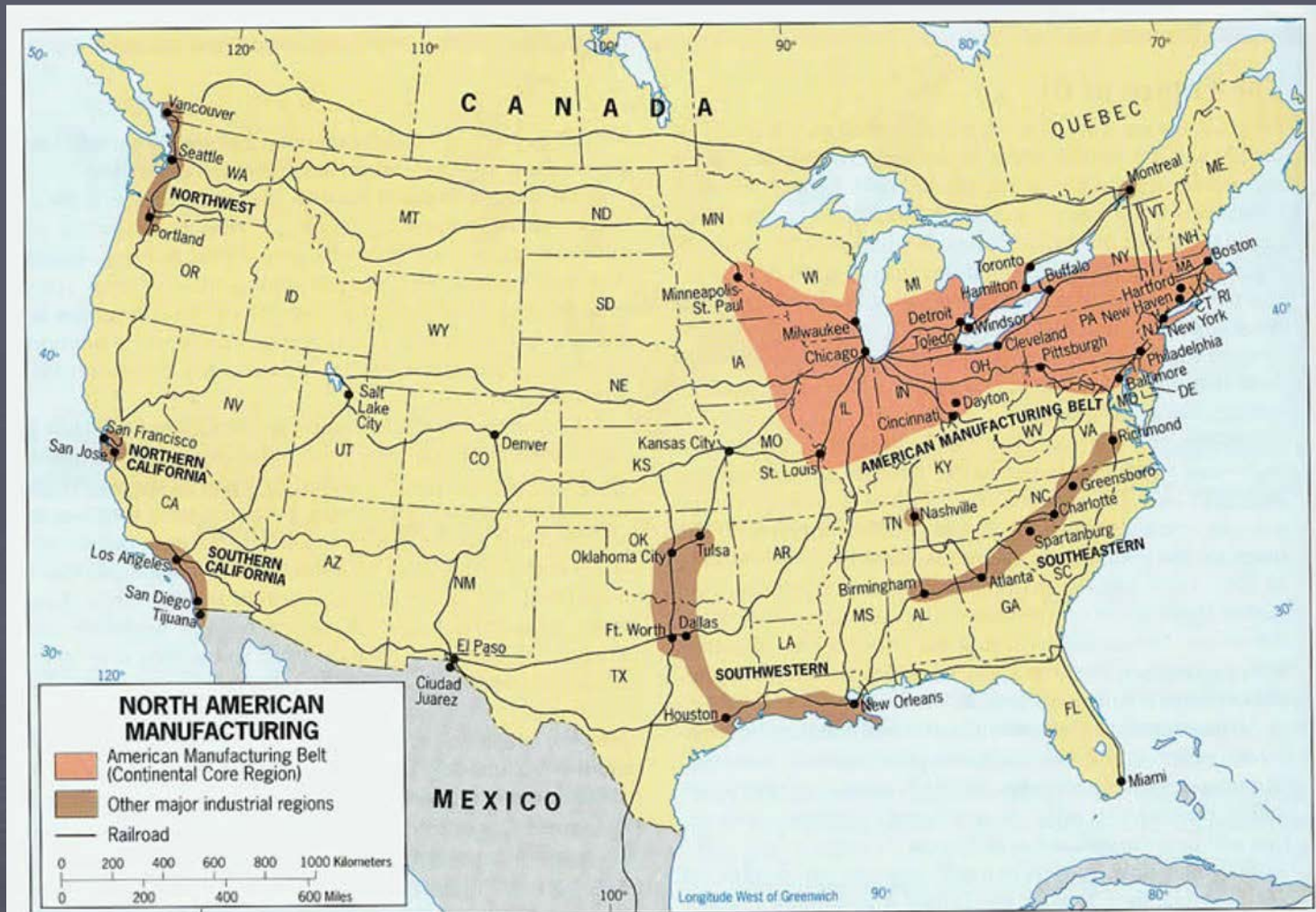 - Developed textile industry

Industrialization in Europe Today

- Mid Rhine became center of Industrialization after World War II
  - Alsace-Lorraine and Luxembourg became centers of steel
    - Proximity to Iron fields
- Most countries experiencing de-industrialization

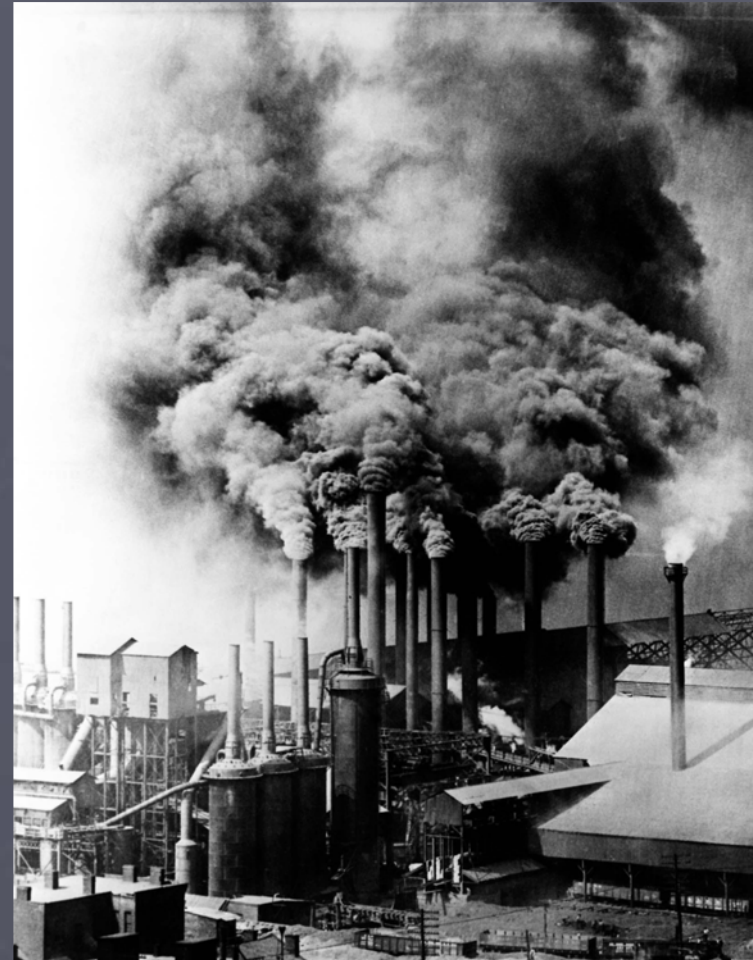# Major Manufacturing Centers: North America

Figure 25-3 North America's Major Manufacturing Regions. North American manufacturing has dispersed westward and southward, but the eastern core area remains dominant.

Industrialization in the United States

- Major Industrialization Era begins after Civil War
  - Tied to water early on
  - Transition to Industrial giant complete by 1880s
  - Canals then railroads used
- Access to Coal fields initial determinant for location
  - Later proximity to markets

Major Industrial Zones

- **New England**
  - Earliest industrialization
  - Especially around Boston
- **Mohawk Valley**
  - Specifically Erie Canal and Niagara
- **Pittsburg-Lake Erie**
  - 19th century center of steel manufacturing
  - Experiencing industrial decay
- **Western Great Lakes**
  - Rose to prominence due to transportation routes
- **Southern United States**
  - Large supply of labor

Major Manufacturing Centers: Russia

Industrialization in Russia

- Primarily agricultural based economy until 20th century

- Joseph Stalin introduced "Five Year Plan" in 1928

  – Forced industrialization

  – Used forced labor "Gulags" to industrialize

  – Moscow main center

    • Rest determined by resources and government planning
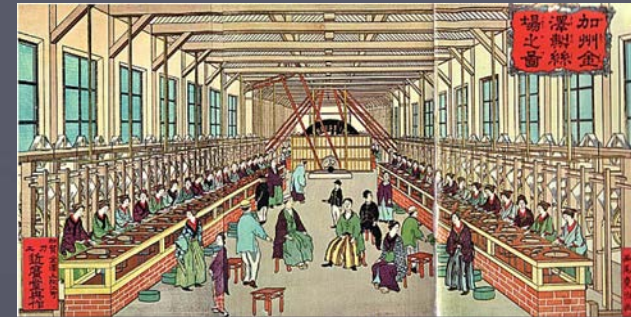
Major Manufacturing Centers: East Asia

Industrialization in East Asia

- Industrialization first introduced to Japan in 1860s
  - Major industrial centers destroyed in World War II
    - Quickly re-built
    - Specialization in electronics and automotive sector
  - South Korean industrial boom in 1960s
- Four Asian Tigers
  - Hong Kong, Singapore, Taiwan, South Korea
  - Maintained high industrialization since 1960s

New Industrial Zones

- China taken over as dominant industrial power
  - Begins in 1970s
  - Foreign interest begins in 1990s
  - Demographic concerns for future
- Mexico and Brazil
  - Specifically around Sao Paulo and Mexico City
- Central Europe
  - Poland, Czech Republic, Hungary
- Africa
  - Poised for growth with rapid population increase
    - Especially Nigeria

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