Developments in Industrialization
Types of Industries

• Primary Industries
  – Responsible for the mining and harvesting of natural resources

• Secondary Industries
  – Takes natural resources and uses them to manufacture consumer goods

• Tertiary Industries
  – Provide services to the Primary and Secondary services as well as the community and individuals
Decline of Secondary Industries in MDCs

• Deindustrialization
  – Transition of primary economic activity of a country to shift from Secondary to Tertiary industries
    • Especially in MDCs since 1950s
    • Otherwise known as the post-industrial era
  – Changes in manufacturing in MDCs
    • Increased automation
    • High-Technology production
Case Study: Deindustrialization in Europe

Change in manufacturing employment in Europe, 1960–1990

Percent change in manufacturing employment, 1960 to 1990
- 33 to 48% decrease
- 1 to 16% decrease
- 17 to 32% decrease
- 0 to 30% increase
- Incomplete data
Case Study: The United States

Percent of U.S. labor force

- 1850: 66% Primary workers, 16% Secondary workers, 18% Tertiary workers
- 1900: 40% Primary workers, 28% Secondary workers, 32% Tertiary workers
- 1950: 33% Primary workers, 51% Secondary workers, 16% Tertiary workers
- 2003–2004: 81% Primary workers, 16% Secondary workers, 3% Tertiary workers

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Impacts of Deindustrialization

• Transnational Corporations
  – Increasing trend of corporations having entities in different countries
    • Offshoring and Outsourcing used to maximize profits

• Industrial Decay
  – Decline of traditional manufacturing centers
    • The Ex. Rust Belt
Impacts of Deindustrialization

• Industrialization of LDCs
  – Corporations moving production centers to LDCs in favor of lower land and Labor costs
  • Leading to unemployment in MDCs
  • Development of Trading Blocs to increase trade between neighboring countries
    – Ex. NAFTA
Case Study: Detroit, Michigan
Case Study: Maquiladoras
New International Division of Labor

- Transfer of some types of jobs, especially those requiring low-paid, less-skilled workers, from more developed to less developed countries.

- Specialization in types of economic activities
  - Ex. China as manufacturing center and London as a banking center
Location of International Banking Centers