Factory Location Decision-Making

Two Core Priorities

- **Access to transportation**
- Necessary for receiving **raw materials** and delivering **finished goods**.
- **Access to energy sources**
- Supports **productivity** and **efficiency** (e.g., electricity, manpower, solar, wind).

Locational Decision Factors

These are additional, non-essential considerations that help improve profitability and factory success.

Labor Supply

- More available labor → lower wages.
- Areas with large labor pools are attractive due to lower production costs.
- Examples: China, India.

Availability of Raw Materials

- Factories near raw material sources can lower transport costs.
- Producers may offer lower prices due to convenience and competition.
- Example: A pineapple factory near pineapple farms saves transport costs.

Cost of Living

- Lower cost of living → cheaper utilities (electricity, water), insurance, and services.
- Reduces total production expenses.
- Developed countries have higher insurance and benefit costs.

Weak Human Rights Protections

- In areas with fewer worker rights:
- Longer work hours allowed
- Lower wages
- Fewer legal obligations for employers

• More cost-effective (but ethically questionable) business environment.

Types of Labor

Skilled Labor

• Found in cities or developed countries.

• Highly educated with specialized training.

• Required for complex products: weapons, aircraft, MRI machines.

Unskilled Labor

• Found in rural or less developed regions.

• Manual work, minimal training.

• Used for mass production of basic goods: food, clothing.

Product Placement and Labor Strategy

Product Type	Labor Type	Factory Location	Notes
Daily/Cheap Goods	Unskilled	Close to consumers	Save on transport; low-cost production
Technological Goods	Skilled	Developed countries	Accepted high price covers expenses
Market Products	= Cheap Products	Same as above	Low quality, labor-intensive
Advanced Products	= Tech Products	Same as above	High value, capital-intensive

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New Locational Trend (Post-1970)

Changes in Developed Countries

Labor Law Improvements

• Labor unions influenced governments to:

• Mandate maternity leave

• Define working hours and overtime pay

• Require insurance and wellness provisions

• Increased employer responsibility and investment costs

Environmental Law Improvements

- Regulated waste, air pollution, factory zoning
- Required wastewater treatment, air filtration
- Introduced carbon emission audits and CSR (corporate social responsibility) duties
- Example: Toyota pays for trees planted in developing countries

Cost of Living and Wages

- Post-WWII, living costs and wages rose in developed countries
- Operating businesses became more expensive

Trade Barriers

- Increase in customs taxes and tariffs
- Rising gasoline costs impacted shipping and logistics

Advantages of Less Developed Countries

Labor Conditions

- Weak or no unions
- Lack of labor protections
- No minimum wage laws in many cases

Environmental Regulations

- Few or unenforced
- High corruption allows pollution in exchange for bribes

Cost Efficiency

- Cheap labor and utilities
- Minimal compliance costs

Taxation and Trade

- Low or negotiable import/export taxes
- Corruption enables avoidance of official charges

Resource Proximity

- Many raw materials are sourced locally
- Reduces import dependence and costs

Shift Toward Fair Trade (Post-2000)

- Rise of **fair trade** movements emphasized ethical production
- Producers in less developed countries faced pressure to improve labor and environmental practices
- Some factories moved back to developed countries

New Strategy: Marketing Over Relocation

- Companies used advertising to justify higher prices
- Enhanced product image through packaging, branding, and storytelling
- Consumers accepted increased prices for perceived quality or innovation

Example:

- Sunsilk shampoo once produced cheaply in Southeast Asia now costs more due to brand repositioning and marketing despite similar ingredients.

Multinational Corporations (MNCs) and Raw Materials

- MNCs like Unilever are owned and operated by people from different countries (e.g., British, Swiss).
- These companies have **large capital** and often **produce their own raw materials**, reducing reliance on small or poor farmers in less developed countries.
- Before, small farmers sold raw materials to MNCs, but now MNCs:
- Rent land in less developed countries
- Hire local labor to produce materials under their control
- By producing their own raw materials, MNCs:
- Control quality and quantity of production
- Stabilize production cost
- Sell excess materials to other companies
- This reinforces inequality: **rich corporations benefit**, while **small producers lose market access and income**

Country Classification: Industrial vs. Agricultural

Countries are classified along different axes: 1. Developed vs. Less Developed 2. Rich vs. Poor → Based on **GNP** 3. Industrial vs. Agricultural → Based on 4 criteria

Criteria for Industrial vs. Agricultural Country

1. **Amount of Productivity by Sector**
2. Compare total output from industrial and agricultural sectors.
3. **Value of Productivity**
4. Compare **economic value** of outputs (e.g., 100 tons of crops might be worth more than 500 tons of industrial goods).
5. **Ownership of Investment**
6. If foreign investors produce most goods, wealth does **not stay** in the country.
7. Local production = better indicator of being an industrial/agricultural country.
8. **Technology Ownership**
9. If the country uses its own technology → production and output **belong to them**.
10. Foreign tech = dependence, even if production is high.

    You must analyze all 4 criteria to properly define a country's industrial/agricultural status.

Example:

- Country B:
- Produces 50 tons industrial, high value
- But production and tech are foreign-owned
- → **Not** an industrial country despite high output

Thailand Case:

- Equal share of local and foreign investors
- Still produces more agricultural than industrial goods
- Therefore, Thailand is **semi-industrial and agricultural**

Trade Barriers

Background

- Pre-1960s: Cheap products flowed freely across borders
- Hurt local industries in US, China, and others
- Created dependency on foreign imports

Trade Barrier Strategies

1. **Increased Customs Tax**
2. Raises cost of imports to protect local businesses
3. Example: Luxury goods like Chanel bags or Ferrari become expensive in Thailand due to 300–400% customs tax
4. **Quota**
5. Limits quantity of foreign goods entering the country
6. Example: If Nike can only send 2,000 pairs of shoes instead of 1 million, they must raise prices to keep profit
7. → Makes imported products less attractive, encourages local consumption

   Goal: Prevent economic dependency and **leakage of money** from the national economy

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Critique of Worker-Based Country Classification

Some geographers suggest classifying countries based on number of workers in each sector, but this is inaccurate.

Why Counting Workers Is Misleading

1. **Migrant Workers**
2. Money sent home creates economic leakage
3. Hard to measure actual income retained in host country
4. **Technology Replaces Labor**
5. Machines produce more with fewer workers
6. Example: 1 machine might output 10 tons/day vs. 1.5 tons/day by a human
7. **Invisible Labor**
8. Illegal workers and child laborers are not counted officially

9. Significant portion of workforce is hidden
10. Machines are also a form of "hidden labor"

Worker count **alone** does not reflect actual dependency on a sector

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Economic Indicators: GNP vs. GDP

Gross National Product (GNP)

- Total income **earned by a country's citizens**, regardless of where they are in the world
- Includes income from:
- Thai investors/businesses abroad
- Migrant Thai workers overseas

Pros:

- Reflects how much nationals earn globally

Cons:

- In **less developed countries**, GNP is **inaccurate**:
- Many don't report income or pay taxes
- Hidden/unregistered income not counted
- High GNP doesn't mean wealth is equally distributed
- Example: Oil-rich countries (e.g., Middle East) have high GNP but large inequality
- Many live under $2/day

GNP = Indicator of national income, **not** quality of life or development

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Gross Domestic Product (GDP)

- Measures **total value of production within the country**, regardless of who owns it

Characteristics:

- Calculated from products **made in national territory**
- Includes foreign-owned businesses

Issues:

- GDP increase ≠ public benefit

- Politicians use GDP growth to **claim success**, even if citizens aren't thriving
- Much of GDP can come from **foreign investment**, profits may not stay in the country
- Migrant workers in-country also cause economic leakage

GDP shows economic **size**, but not necessarily **well-being** or **equality**

Tertiary Economic Activity

- Sector based on **services and specialized skills**
- Examples:
- Accounting
- Medicine
- Legal services
- Labor-based services (even prostitution mentioned as a skill-for-hire)

In this sector, people **sell their knowledge or skills** rather than goods

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Transmigration in Indonesia

Background

- Java Island (capital: Jakarta) is overcrowded due to industrial development and job opportunities.
- Internal migration from other islands caused:
- High unemployment
- Slums
- Poor sanitation and health
- Government's solution: **Transmigration Project**
- Encourage people to move from Java to other "empty" islands.

Goals of the Program

- Reduce pressure on Java's infrastructure and social services.
- Develop underused land and increase **agricultural productivity**.
- Improve economic output and national development.

Implementation Strategy

- Volunteers were promised:
- **Land ownership** on new islands.
- **Financial aid** (~$3,000–$6,000/family).
- Indonesia took a **loan from IMF** to fund the project.

Issues and Failures

1. Land Conflict

- Many islands already inhabited by **tribal groups** who weren't recognized by the government.
- Land ownership conflicts arose:
- Tribal people: ancestral claims
- Migrants: legal documents issued by the government
- Government failed to resolve this dispute.

2. Religious Conflict

- Newcomers: predominantly **Muslim**
- Tribal people: mostly **Christian** or **Animist**
- Resulted in **religious violence**, including:
- Attacks on mosques and churches
- Ongoing tensions and distrust

3. Lack of Agricultural Skills

- Migrants lacked knowledge and tools for farming.
- Poor productivity due to:
- No training
- No agricultural equipment
- Migrants attempted to increase output by **expanding plantations** (illegally).

4. Environmental Degradation

- Expansion led to:

- **Deforestation**
- **Soil erosion**
- **Landslides**
- Disruption of **local ecosystems**

5. Lack of Infrastructure

- No roads, electricity, water systems on the new islands.
- Migrants had to spend money on basic infrastructure.
- This limited their ability to invest in farming or build homes.

Long-Term Outcome

- Many migrants **gave up** and returned to Java Island.
- Social issues in Java **returned**, now **with added IMF debt**.
- Failure attributed to:
- Poor planning
- No pre-built infrastructure
- Ignoring local communities
- Cultural and environmental neglect

Concept: Optimum Population

Definition

- Ideal balance between population size and available resources in an area.

Scenarios

- **Overpopulation**: too many people for the available resources.
- **Underpopulation**: too few people to fully utilize available resources.

Overpopulation

Common Issues

- Unemployment

- Poverty
- Resource scarcity
- Decline in living standards

Theories

Malthusian Theory

- Population grows faster than food production.
- Result: famine, disease, death → population decline
- Solution: **do nothing**, nature will balance it.

  Criticism: ignores role of **technology** in increasing productivity.

Boserup's Theory

- Population growth pushes **agriculture to improve**.
- Farmers feel pressured to produce more.
- Stimulates **technological advancement**.

  Criticism: assumes people **cannot migrate**, only applies to isolated communities.

Underpopulation

Characteristics

- More resources than people
- Often occurs in **resource-rich** but **sparsely populated** countries

Outcomes

- Attracts:
- **Investors** (to exploit unused resources)
- **Skilled labor** (to work for investors)
- Leads to:
- Increased population
- Growth in GDP/GNP
- External dependency if locals lack control

Club of Rome (1972)

- International conference on population, environment, and sustainability.
- Participants: mostly Europeans from science, politics, and economics.

Key Arguments

- World is consuming **resources too fast**
- Suggested global **birth control policies** to manage population

  Hypocrisy: Europeans pushed control policies on **less developed countries**, but refused to apply it to themselves due to religious reasons (Christianity).

Feminist Critique

- Western feminists promoted **birth control** to reduce domestic burden and improve women's freedom.
- Suggested:
- Fewer children → less work → more time for self-development
- Criticized by women in less developed countries who:
- Relied on religion/culture for identity and survival
- Found Western feminism to be out-of-touch and condescending

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Theory: Pop Growth & Industrial Decline (Post-Club of Rome)

Predictions

- Population decline → fewer consumers
- Industry will shrink → mass unemployment
- Companies will:
- Use **more technology**, fewer workers
- Stop innovating (no demand = no need to improve)

  Criticism: Technological development may continue due to **human desire**, not just economic necessity

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Introduction to Urban Geography

What Is a City?

- A city is defined as a **permanent human settlement** with:
- High population density
- Complex infrastructure
- Diverse activities (economic, political, cultural)
- Differentiated from rural areas by:
- Economic diversity (not limited to agriculture)
- Administrative functions
- Technological infrastructure
- Cultural significance

Push and Pull Factors of Urbanization

Push Factors (from rural areas)

- Lack of education
- Lack of employment
- Poor infrastructure and services
- Land scarcity or poor farming conditions

Pull Factors (to cities)

- Job opportunities (especially in industrial and service sectors)
- Better education
- Healthcare access
- Lifestyle attractions

Problems of Rapid Urbanization

Economic Problems

- High cost of living
- Inequality and poverty in urban slums

- Informal labor market (unstable employment)

Infrastructure Problems

- Traffic congestion
- Pollution (air, water, noise)
- Waste management issues
- Housing shortages

Social Issues

- Overcrowding
- Crime and insecurity
- Lack of public spaces

Poor urban planning leads to **chaotic development**, making these problems worse.

Urban Land Use Patterns

Central Business District (CBD)

- Commercial and financial center of the city
- High land value
- Tall buildings, offices, department stores
- Accessible via public transport

Surrounding Zones

1. **Transitional Zone**
2. Mix of residential and industrial use
3. Often includes slums and older housing
4. **Residential Zone**
5. Middle and upper-class housing
6. Schools, hospitals, amenities
7. **Industrial Zone**
8. Factories, warehouses
9. Often located near railways, highways, or rivers

10. **Suburbs**
11. Low-density housing
12. Commuter areas
13. More space, better living conditions

These zones are not fixed; urban sprawl and gentrification change them over time.

Theories of Urban Structure

1. Concentric Zone Model (Burgess)

- City develops in circular rings:
- Center: CBD
- Surrounding rings: transition → working-class → middle-class → suburbs
- Based on American industrial cities

2. Sector Model (Hoyt)

- Development extends outward in **sectors** or wedges, not rings.
- Focuses on transportation corridors.
- High-income areas form along highways or waterfronts.

3. Multiple Nuclei Model

- City has **multiple centers** (nuclei) of activity
- Each nucleus specializes in a specific function (e.g., university, shopping, industry)
- Reflects decentralization and complexity of modern cities

All models help explain different cities, but no single one fits all urban areas.

Case Study: Bangkok

- Developed in a **linear pattern** along roads and railways.
- Lacks a strict central plan → irregular layout
- Mix of all urban models:
- Concentric core (Rattanakosin)
- Sector-like expansion along Sukhumvit and Silom

- Nuclei (e.g., Ladprao, Rangsit, Bangna)

Bangkok's sprawl and informal development cause major traffic and housing issues.

Urban Planning

Why Planning Matters

- Ensures efficient land use
- Reduces congestion and pollution
- Provides housing and public services
- Prevents slum formation

Challenges in Developing Countries

- Lack of funding
- Weak governance and corruption
- Rapid population growth
- Land tenure issues (ownership disputes)

Solutions and Innovations

Smart Growth

- Urban development strategy that focuses on:
- Public transport
- Mixed-use neighborhoods
- Preservation of green space

Satellite Cities

- Smaller cities built around a major city to absorb population pressure
- Planned with their own infrastructure and services

Slum Upgrading

- Improve conditions in informal settlements:
- Provide utilities (water, electricity)
- Improve roads and sanitation

- Legalize land ownership

Culture: Definitions and Core Concepts

Norms

- **Definition**: Commonly accepted standards or rules within a society that dictate acceptable behavior.
- **Transmission**: Taught from birth—initially by parents, then reinforced by the community.
- **Relation to Law**:
- Laws are often formed from widely accepted norms.
- Example: In Islamic societies, harsh punishments like hand-cutting for theft originate from cultural norms.
- **Punishment**:
- Legal punishments (e.g., imprisonment, fines).
- Extra-legal or cultural punishments (e.g., gossip, ostracism, honor killings).
- Some cultural punishments violate human rights (e.g., burning for adultery) but are justified by claims to "cultural rights".

Patriarchal Culture

- Most current norms originate from male-dominated societies.
- Functions of norms:
- Control behavior
- Maintain peace/security
- Support power structures

Tradition, Custom, and Cultural Rights

Tradition

- **Definition**: Symbolic beliefs and practices passed down through generations.
- **Purpose**: Maintains the continuity and strength of culture.
- **Example**: Wai gesture in Thailand reflects respect; Loi Krathong reflects gratitude to the water goddess.

Custom

- **Definition**: Repeated behaviors done without questioning the reason.
- **Characteristics**: Least important; should be revised frequently.
- **Example**: Taking food photos before eating because others do.

Cultural Rights

- **Government Perspective**:
- Everyone should have equal access to enjoy and participate in cultural practices.
- Duties: create laws, host events, protect participants.
- **Community Perspective**:
- Cultural rights = right to **preserve** culture and **resist change**.
- Maintain uniqueness and prevent external disturbance.
- **Conflict**:
- Some practices violate national laws/human rights (e.g., rape culture used to justify acts).
- Requires compromise between state, people, and human rights law.

Cultural Identity & Heritage

Cultural Identity

- Made up of:
- Unique beliefs and practices
- Tangible heritage (architecture, land, statues)

Cultural Heritage

- Physical/tangible elements of culture.
- Includes buildings, landscapes, and monuments.

Three Cultural Components

1. Artifacts

- **Definition**: Tangible and intangible items that reflect a culture.
- **Examples**: Food, language, stories, dance.

- **Features**:
- Most visible and accessible part of culture.
- Can easily change (e.g., evolution of Thai papaya salad "som tam").
- Used to protect the core of culture (mentifacts).

2. Sociofacts

- **Definition**: Social structures and institutions that govern behavior.
- **Examples**:
- Family (smallest unit, with roles/duties)
- Government (protect rights, maintain order)
- Education (ensure access to learning)
- Healthcare (access to medical treatment)
- Religion (spiritual/moral support)
- **Change**: Requires effort, planning, and possibly protest or revolution.

3. Mentifacts

- **Definition**: Abstract beliefs, values, ideologies, and perceptions.
- **Transmission**: Oral traditions, generational teaching.
- **Resistance to Change**:
- Hardest part of culture to change.
- Requires time, education, and evidence.
- Example: Beliefs about natural phenomena like earthquakes once explained by myth.

Interconnection of Cultural Components

- **Artifacts** can reveal:
- **Sociofacts**: Through spatial arrangement, usage (e.g., house layout reveals family structure).
- **Mentifacts**: Through decoration, architecture (e.g., Buddha statues reveal religious beliefs).

Theories of Culture Formation

1. Environmental Determinism

- **Belief**: Culture is entirely shaped by nature.
- **Implications**:
- Denies human free will.
- Encourages blaming nature for personal actions (e.g., "I hit someone because it was hot").
- **Religion**: Aligns with Christianity's concept of predestination (God has already determined everything).
- **Downside**: May encourage irresponsibility.

2. Positivism

- **Belief**: Culture comes from human knowledge, history, experience, science, and technology.
- **Benefits**:
- Promotes logic, reason, and adaptation.
- Culture evolves with society.
- Fact-based and practical.
- **Downside**: No room for hope or spirituality—can feel emotionally empty.

3. Cultural Ecology

- **Belief**: Culture arises from a balance of nature and human knowledge.
- **Purpose**: Create a neutral, balanced culture combining fact and spirituality.
- **Outcome**: More inclusive and sustainable culture.
