

*Cycle of poverty, rapid population growth and underemployment, untaxed and unregulated

11. Factors affecting the changing location of manufacturing:

-Global Shift: movement of manufacturing from HICs to cheaper production locations in MICs and LICs

This has happened because:

-TNCs-large companies that operate in two or more countries. They offer a variety of economic activities and they will locate their factories in the cheapest locations.

-Raw materials-stocks have run low in HICs and so are becoming more difficult/expensive to obtain. These materials may be more accessible and cheaper elsewhere

-Labour-labour is cheaper in MICs and LICs. There will be fewer regulations on working conditions and even MICs might be able to offer highly-skilled workers for high-tech manufacturing work.

-Government policy- MIC and LIC governments are able to tempt TMS to invest by offering incentives e.g. cheap land and tax breaks, as well as the absence of tight regulations on workers' rights and pollution

-New technology- improvements in transport and communication worldwide. There are now instant forms on communication and reduced journey times. New branches will also be footloose, meaning they have a much greater flexibility in choice of location.

CASE STUDY OF DE-INDUSTRIALISATION: NE ENGLAND:

Causes:

- Consett, located near Newcastle, grew around iron and steel works and depended on it for its economic well-being
- Consett's steelwork closed in 1980 due to:
 - exhaustion of local raw materials
 - high costs of bringing raw materials to an inland location.
 - it was a small, inefficient plant compared to other steelworks nearby e.g Redcar
 - major local market for steel closed.

Consequences:

- loss of 4000 local jobs- unemployment in Consett rose to 30%.
- loss of town's ball bearing manufacturer- depended on steel
- shops and pubs closed down- people had no money because they were employed.
- Crime and use of alcohol and drugs increased
- Thousands of people moved away- use their skills somewhere else.
- manufacturing decreased by 2/3