



AN INTRODUCTION TO ECONOMIC GEOGRAPHY
GLOBALIZATION, UNEVEN DEVELOPMENT AND PLACE
DANNY MACKINNON & ANDREW CUMBERS

An Introduction to Economic Geography

Globalization, Uneven Development
and Place

Danny Mackinnon and
Andrew Cumbers



Harlow, England • London • New York • Boston • San Francisco • Toronto • Sydney • Singapore • Hong Kong
Tokyo • Seoul • Taipei • New Delhi • Cape Town • Madrid • Mexico City • Amsterdam • Munich • Paris • Milan

Pearson Education Limited

Edinburgh Gate
Harlow
Essex CM20 2JE
England

and Associated Companies throughout the world

Visit us on the World Wide Web at:
www.pearsoned.co.uk

First published 2007

© Pearson Education Limited 2007

The rights of Andrew Cumbers and Danny Mackinnon to be identified as authors of this work has been asserted by them in accordance with the Copyright, Designs and Patents Act 1988.

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without either the prior written permission of the publisher or a licence permitting restricted copying in the United Kingdom issued by the Copyright Licensing Agency Ltd, Saffron House, 6–10 Kirby Street, London EC1N 8TS.

ISBN 978-0-13-129316-8

British Library Cataloguing-in-Publication Data

A catalogue record for this book is available from the British Library

Library of Congress Cataloging-in-Publication Data

A catalog record for this book is available from the Library of Congress

10 9 8 7 6 5 4 3 2 1
10 09 08 07

Typeset in 9.75pt Minion by 3

Printed and bound in Great Britain by Ashford Colour Press, Hampshire

The publisher's policy is to use paper manufactured from sustainable forests.

Preface

Economic geography has become a highly diverse and open field of research in recent years, incorporating a wide range of research topics, theories and methodologies. The influence of the so-called cultural and institutional 'turns' in particular has enlivened the subject, exposing it to new ideas and concerns (Thrift, 2000). New areas of interest such as consumption, corporate cultures and gender relations in the workplace have been embraced by economic geographers, alongside work on more 'traditional' topics such as regional development, large firms and labour markets, often informed by new perspectives. As a result, the notion of the economy as a self-evident and self-contained entity as been destabilized, leading to an extension of its boundaries and the forging of new linkages with a range of other subject areas. The profusion of approaches and methodologies means that there is no single approach or 'paradigm' that dominates the field. Such diversity and pluralism has generated considerable excitement and vitality among researchers and students. At the same time, however, it has raised concerns about the coherence, identity and purpose of economic geography (see *Antipode*, 2001). One of the major challenges is that of how to communicate the diversity of the subject to the relatively uninitiated, particularly economic geography students, many of whom may expect to be introduced to a single 'right' approach or a clear set of core concerns (Barnes, 2006).

Our purpose in writing this textbook is to convey some of the diversity and vitality of contemporary economic geography to students. It is intended to work as an introductory text for undergraduate geography students taking courses in economic geography at the equivalent of Levels 1 and 2 in England and Wales (Levels 2 and 3 in Scotland). Our decision to write this book was prompted by the apparent lack of an intro-

ductory general textbook for British students, certainly when compared to other areas of human geography, such as political geography, 'concepts/approaches' or 'methods', which seem to have witnessed a profusion of textbooks in recent years. Three main types of existing texts in economic geography can be identified, alongside chapters in introductory human geography collections such as Cloke *et al.* (2005) and Daniels *et al.* (2005) and more specialized books on particular topics (e.g. consumption or labour markets). First, there are those that focus on a core theme such as globalization, of which Dicken (2003a) and Knox *et al.* (2003) are the established favourites. Second, a number of edited collections in the form of readers or companions presenting overviews of key topics or selections of 'classic' papers have been published in recent years (Barnes and Sheppard, 2000; Barnes *et al.*, 2004; Bryson *et al.*, 1999). Third, more advanced research-level texts such as Hudson (2005) are also available. This book aims to provide a text that is more accessible and student-friendly than the second or third of these types while incorporating a broader range of topics than the first. It is designed to guide students through key debates and issues in an integrated fashion.

Three main theoretical approaches can be identified within contemporary economic geography: spatial analysis, political economy and cultural economy (Chapter 2). As Hudson (2005, p.15) argues, the latter two should be seen as potentially complementary rather than alternative approaches, providing different 'analytic windows' from which to view the economy. While the book is underpinned by our favoured political economy approach, we have sought to connect this to some of the cultural and institutional insights that have informed research in recent years. Rather than having 'a 1970s/1980s feel' about it – as one

reviewer commented on the original book proposal – the ‘new’ or revised form of political economy that we have adopted has moved beyond the rather clunky and deterministic nature of earlier versions to become more flexible and open to the importance of context, difference and identity (Peck, 2005, p.166). To adopt Hudson’s terms, our approach can be described as ‘culturally sensitive political economy’ rather than a ‘politically sensitive cultural economy’ (Hudson, 2005, p.15).

This book is underpinned by three main thematic concerns, highlighted in the subtitle: globalization, uneven development and place. Globalization is one of the key forces reshaping the geography of economic activity, driven by multinational corporations, financial institutions, international economic organizations and governments. It has sparked a wave of protests from ‘anti-globalization’ activists and groups since the late 1990s. In many ways, globalization provides a key contemporary vehicle for examining the longer-standing concerns of economic geography, many of which can be related to the overarching concepts of uneven development and place. We view uneven development as an inherent characteristic of the capitalist economy, reflecting the tendency for growth and prosperity to be geographically concentrated in particular locations (Smith, 1984). The theme of place, in turn, reflects geographers’ traditional interest in distinctive localities. Crucially, however, such local distinctiveness must be seen as the product of interaction with wider economic processes, not isolation. In this sense, one of the main geographical effects of globalization is the forging of

closer linkages between the economies of distant countries and regions.

In selecting the topics and issues covered in the book, we have tried to reflect contemporary concerns in economic geography. Relatively ‘new’ areas (to economic geographers), such as consumption, services and the cultural industries, are incorporated alongside more ‘traditional’ ones such as regional development, agglomeration and labour. The book is global in terms of its geographical range and scope, and we have tried to include research and case studies drawn from a range of countries and regions. Economic development in the ‘global South’ is the subject of a discrete chapter, and the connections between developed and developing countries are highlighted throughout the book. Such is the breadth and diversity of the subject, however, that significant omissions are inevitable. Perhaps the most obvious of these is the set of relations between the economy and the environment (see Hudson, 2005, pp.38–56), though individual readers will identify others (transition economies receive little direct attention, for instance). In general terms, the outlook and scope of the book are inevitably limited by our UK residence, reliance on English-language materials and immersion in the concerns of Anglo-American human geography. More specifically, our personal research interests in areas such as regional development, labour markets and state restructuring in developed economies have probably exerted some (indeterminate) influence over the selection of topics and approach.

Please note that bold text indicates an entry in the Glossary.

Acknowledgements

The idea for the book emerged from a discussion between Andrew Taylor of Pearson Education and one of the authors. Andrew has subsequently been the editor responsible for the book and we are grateful to him, Sarah Busby and the rest of the team at Pearson for their assistance and patience. Most of the figures in the book were drawn by the production team at Pearson while Alison Sandison and Jenny Johnston at Aberdeen provided more specialist cartographic support. We would also like to thank the various reviewers of both the original proposal and, especially, the draft chapters, particularly the three reviewers of the entire text – Professor Peter Daniels at

Birmingham, Dr Michael Punch at University College Dublin and Dr Pete North at Liverpool. We have tried to incorporate their suggestions wherever possible and the book is undoubtedly much better as a result. Special thanks are due also to Keith Chapman, for the support and encouragement he has provided to both of us in our careers, and to close colleagues in the Geography Departments at Aberdeen and Glasgow, for general camaraderie. Andy would also like to acknowledge the help and advice of Ray Hudson from PhD days onwards, and lastly give a big thanks to Fran and Anna for their continuing support, tolerance and love.

Publisher's acknowledgements

We are grateful to the following for permission to reproduce copyright material:

Figures 1.1, 3.1 and 9.8, reprinted by permission of Sage Publications Ltd from Castree, N., Coe, N., Ward, K. and Samers, M., *Spaces of Work: Global Capitalism and Geographies of Labour*, copyright (© Noel Castree, Neil M. Coe, Kevin Ward and Michael Samers, 2004); Figures 1.2, 3.5, 5.2a, 5.2b, 5.4, 5.6, 5.7, 6.7, 7.2 and 7.4 and Table 7.6 reprinted by permission of Sage Publications Ltd from Dicken, P., *Global Shift:*

Reshaping the Global Economic Map in the Twenty-first Century, 4th edn, copyright (© Peter Dicken 2003); Figure 1.4 from www.ideas-forum.org.uk, illustration drawn by Jan Nimmo; Figure 1.6 from *Environment and Planning*, 2002, A 34, p. 1583, PION Limited; Figure 1.9 drawn by Ken Byrne, in Gibson-Graham, J.K. 2006, *A Postcapitalist Politics*, Minneapolis and London: University of Minnesota Press, p. 70; Figure 1.11 from 'Industrial districts', in *A Companion to Economic Geography*, edited by Sheppard, E. and

Barnes, T.J., Blackwell Publishing (Amin, A. 2000); Figure 2.1 reproduced with permission from Lee, R., *Progress in Human Geography*, 26, copyright (© Sage Publications, 2002), by permission of Sage Publications Ltd; Figure 2.3 from *Industrial Location*, John Wiley & Sons, Inc. (Smith, D.M. 1981); Figure 2.5 from *Geography and Geographers: Anglo-American Human Geography since 1945*, 6th edn, Johnston, R.J. and Sidaway, J.D., Edward Arnold (Publishers) Ltd, 2004, reproduced by permission of Edward Arnold (Publishers) Ltd; Figure 3.3 from 'Financing entrepreneurship: venture capital and regional development', Mason, C.M. and Harrison, R.T., in *Money and the Space Economy*, Martin, R. (ed.), copyright 1999, copyright John Wiley & Sons Limited, reproduced with permission, taken from PricewaterhouseCoopers LLP/National Venture Capital Association MoneyTree report based on data from Thomson Financial; Table 3.3 from *Geographies of Economies*, Lee, R. and Wills, J., Edward Arnold (Publishers) Ltd, 1997, reproduced by permission of Edward Arnold (Publishers) Ltd; Figure 3.4 from *Wrecking a Region*, Hudson, R., 1989, p. 4, PION Limited; Figures 3.6, 4.5 and 4.8 from *Atlas of Industrializing Britain 1780–1914*, Lawton, P., copyright © 1986, Methuen, reproduced by permission of Taylor & Francis Books UK; Figure 4.2 'Map: Nature's Metropolis with American Railroads, 1861', from *Nature's Metropolis: Chicago and the Great West*, by William Cronon, copyright © 1991 by William Cronon, used by permission of W. W. Norton & Company, Inc.; Table 4.2 from Massey, D., *Spatial Divisions of Labour: Social Structures and the Geography of Production*, 1994, Macmillan, reproduced with permission of Palgrave Macmillan; Figure 4.3 from 'Annihilating space? The speed-up of communications', in *A Shrinking World? Global Unevenness and Inequality*, edited by Allen, J. and Hammett, C. (Leyshon, A. 1995), by permission of Oxford University Press; Figure 4.4 from *Industrial Location*, 2nd edn, Blackwell Publishing (Chapman, K. and Walker, D. 1991); Figure 4.6 from *Peaceful Conquest: The Industrialisation of Europe 1760–1870* (Pollard, S. 1981), by permission of Oxford University Press; Figures 4.7, 4.9 and 11.1 from *The Geography of the World Economy*, 4th edn, Knox, P., Agnew, J. and McCarthy, L., Edward Arnold (Publishers) Ltd, 2003, reproduced by permission of Edward Arnold (Publishers) Ltd; Figure 4.7 from *Geography and the Urban Environment*, Vol. IV, Herbert, D.T. and Johnston, R.J. (eds) after Conzen, M., copyright 1981, copyright John Wiley & Sons Limited, reproduced with permission; Figure 4.11 adapted from the Rand McNally *World Atlas*, 1992; Figures 5.1, 11.2, 11.5 and 11.6 from *Geographies of Development*, 2nd edn, Potter, R.B., Binns, T., Elliott, J.A. and Smith, D., Pearson Education Limited; Table 5.1 from *Global Transformations: Politics, Economics and Culture*, Polity (Held, D., McGrew, A., Goldblatt, D. and Perraton, J. 1999); Table 5.2 from *The Geography of the World Economy*, Knox, P. and Agnew, J., Edward Arnold (Publishers) Ltd, 1989, reproduced by permission of Edward Arnold (Publishers) Ltd; Table 5.3 adapted from Table 3-1c, Shares of world GDP, 1000–1998, *The World Economy: A Millennial Perspective*, © OECD 2001; Table 5.4 adapted from Table 3-2b, Merchandise Exports as Per Cent of GDP in 1990 Prices, World and Major Regions, 1870–1998, *The World Economy: A Millennial Perspective*, © OECD 2001; Figure 5.5 from 'Brave new world', in *Geographical Magazine*, 67(1), Circle Publishing (Evans R. 1995); Figure 5.6 from *Industrial Development: Global Report*, 1997, United Nations Industrial Development Organization (1997); Table 5.7 from *Millennium Development Goals: A compact among nations to end human poverty*, Human Development Report, UNDP (2003); Table 5.8 from *International Cooperation at a Crossroads: Aid, Trade and Security in an Unequal World*, Human Development Report, UNDP (2005); Table 6.1 from 'The rise of the workfare state', in *Geographies of Global Change: Remapping the World*, 2nd edn, edited by Johnston, R.I., Taylor, P. and Watts, M., Blackwell Publishing (Painter, J. 2002); Figure 6.2 from 'UK regional policy: an evaluation', in *Regional Studies*, 31, Taylor & Francis Ltd (Taylor J. and Wren C. 1997), <http://www.tandf.co.uk/journals>; Figure 6.3 reprinted from *Progress in Planning*, 44, Tuppen, J.N. and Thompson, I.B., 'Industrial restructuring in contemporary France: spatial priorities and policies', p. 126, copyright (1994), with permission from Elsevier; Table 6.3 from *Capitalism since 1945*, Blackwell Publishing (Armstrong, P., Glyn, A. and Harrison, J. 1991); Figure 6.4 from *The Condition of Postmodernity*, Blackwell Publishing, (Harvey, D. 1989); Table 6.5 from

Environment and Planning A, 2004, 36, p. 2098, PION Limited; Figure 6.8 from HM Treasury (2005) *Public Expenditure Statistical Analyses 2005*, reproduced under the terms of the Click-Use Licence; Figure 6.10 from *A United Kingdom? Economic, Social and Political Geographies*, Mohan, J., Edward Arnold (Publishers) Ltd, 1999, reproduced by permission of Edward Arnold (Publishers) Ltd; Figure 6.11 from 'Devolution and economic governance in the UK: uneven geographies, uneven capacities?', in *Local Economy*, 17, Taylor & Francis Ltd (Goodwin, M., Jones, M., Jones, R., Pett, K. and Simpson, G. 2002), <http://www.tandf.co.uk/journals>; Table 7.2 from *Environment and Planning D: Society and Space*, 1985, 3, p. 37, PION Limited; Tables 7.3a and 7.3b from *World Investment Report 2005: Transnational Corporations and the Internationalization of R and D*, UNCTAD (2005); Table 7.4 from 'Changing relationships between multinational companies and their host regions?: A case study of Aberdeen and the international oil industry', in *Scottish Geographical Journal*, 117(31), Royal Scottish Geographical Society (Cumbers, A. and Martin, S. 2001); Figure 8.3 from *Measuring Trade in Services*, WTO (2006); Tables 8.3, 8.4 and 8.6 from *World Investment Report 2004: The Shift Towards Services*, UNCTAD (2004); Figures 8.4, 8.5 and 8.6 and Table 8.2 from *International Trade Statistics 2005*, WTO (2005); Figure 8.7 from Figure B.5.4. Share of the service sector in the total inward FDI positions of OECD countries, OECD, International Direct Investment Statistics, June 2005, reproduced in *Measuring Globalization OECD Economic Globalization Indicators*, © OECD 2005; Figure 8.8 and Table 8.5 from International Financial Services London (IFSL); Figure 8.9 from *Environment and Planning A*, 1996, 28, pp. 1209–32, PION Limited; Figure 8.10 reprinted from *Cities*, 16(6), Beaverstock, J.V., Smith, R.G. and Taylor, P.J., 'A roster of world cities', copyright (1999), with permission from Elsevier; Figure 8.13 from *Environment and Planning A*, 2001, 33, p. 69, PION Limited; Figure 8.14 reprinted by permission of Sage Publications Ltd from Dicken, P., *Global Shift: Transforming the World Economy*, copyright (© Peter Dicken 1998), taken from 'Telecommunications and the changing geographies of knowledge transmission in the late twentieth century', in *Urban Studies*, 32, Taylor & Francis Ltd (Warf, B. 1995),

<http://www.tandf.co.uk/journals>, and from *World Investment Report 1996: Investment, Trade and International Policy Agreements*, UNCTAD (1996); Figure 9.4 and Table 9.6 from 'A cross-country study of union membership', in *Institute of Labour Discussion Paper 2016*, IZA (Blanchflower, D. 2006); Table 9.4 from 'Places of work', in *A Companion to Economic Geography*, edited by Sheppard, E. and Barnes, T., Blackwell Publishing (Peck, J. 2000); Table 9.5 from *World Employment Report 2004–05*, p. 191, copyright © International Labour Organization; Figure 9.6 reprinted by permission of Sage Publications Ltd from Allen, J. and Massey, D. (eds), *The Economy in Question*, copyright (© 1988), taken from *Flexibility, Uncertainty and Manpower Management*, Institute of Manpower Studies Report 89, Institute of Employment Studies, (Atkinson, J. 1984); Figure 9.7 from Labour Force Survey, TUC; Table 9.7 from *International Framework Agreements: Increasing the Effectiveness of Core Labour Standards*, Global Labour Institute, www.global-labour.org. (Gibb, E. 2005); Figure 9.8 from Castles, S. and Miller, M., *The Age of Migration*, 2nd edn, 1998, Macmillan, reproduced with permission of Palgrave Macmillan; Figure 10.1 'Investment in knowledge', *OECD Factbook 2006: Economic, Environmental and Social Statistics*, © OECD 2006; Figure 10.6 from *The Knowledge-creating Company: How Japanese Companies Create the Dynamics of Innovation*, (Nonaka, I. and Takeuchi, H. 1995), by permission of Oxford University Press, Inc.; Figure 10.7 from Trends Business Research et al., 2001; Figure 10.8 from 'Locations, clusters and company strategy', in *The Oxford Handbook of Economic Geography* edited by Clark, G.L., Feldman, M. and Gertler, M. (Porter, M.E. 2000), by permission of Oxford University Press; Figure 10.9 from 'A new map of Hollywood: the production and distribution of American motion pictures', in *Regional Studies*, 36, Taylor & Francis Ltd (Scott, A.J. 2002), <http://www.tandf.co.uk/journals>; Figures 10.10 and 10.11 reprinted from *Geoforum*, 31, Henry, N. and Pinch, S., 'Spatialising knowledge: placing the knowledge community of Motor Sport Valley', copyright (2000), with permission from Elsevier; Figure 10.12 reprinted by permission of Sage Publications Ltd from Bathelt, H., Malmberg, A. and Maskell, P., *Progress in Human Geography*, copyright (© 2004 Sage

Publications); Figure 11.3 from *International Cooperation at a Crossroads: Aid, Trade and Security in an Unequal World*, Human Development Report, UNDP (2005); Figure 11.6 adapted from R.B. Potter, *Urbanisation in the Third World* (OUP, 1992), by permission of Oxford University Press; Figure 11.8 from *Introducing Human Geographies*, 2nd edn, Cloke, P., Crang, P. and Goodwin, M. (eds), Edward Arnold (Publishers) Ltd, 2005, © 2005 Hodder Arnold, reproduced by permission of Edward Arnold (Publishers) Ltd; Figure 11.10 from *Making New Technologies Work for Human Development*, Human Development Report, UNDP (2001); Figure 11.13 from 'Net ODA in 2004 as a percentage of GNI, aid rising sharply, according to the latest OECD figures (13 December 2005)', © OECD 2005; Figure 12.1 © *Imagining Scotland: Tradition, Representation and Promotion in Scottish Tourism since 1750*, Gold, J.R. and Gold, M., 1995, Ashgate; Table 12.1 from *Tourism Highlights, 2005*, World Tourism Organization; Table 12.2 from *Consuming Places*, Urry, J., Routledge, Thomson Publishing Services, North Way, Hanover HANTS SP10 5BE; Figure 12.3 reprinted from *Annals of Tourism Research*, 27, Waitt, G., 'Consuming heritage: perceived historical authenticity', copyright (2000), with permission from Elsevier; Figure 12.6 ONS (2005) *Travel Trends 2004*, reproduced under the terms of the Click-Use Licence; Figure 12.7 © *Contemporary Portugal: Dimensions of Economic and Political Change*, Syrett, S. (ed.), 2002, Ashgate; Figure 12.8 reprinted by permission of Sage Publications Ltd from Shaw, G. and Williams, A.M., *Tourism and Tourism Spaces*, copyright (© Gareth Shaw and Allan

M. Williams 2004); Figure 12.13 reprinted by permission of Sage Publications Ltd from Rodriguez, A., Martinez, A. and Guenga, G. 'Uneven development: new urban policies and socio-spatial fragmentation in metropolitan Bilbao', in *European Urban and Regional Studies*, 8, copyright © 2001 by SAGE Publications.

Photographs

Figure 1.7 John Lawrence, Getty Images; Figure 1.8 © Hulton-Deutsch Collection/Corbis; Figure 2.6 Robin MacDougall, Getty Images; Figure 2.7 Franco Zecchin, Getty Images; Figure 2.8 © David Cooper/Toronto Star/Corbis; Figure 3.7 Source: Mary Evans Picture Library;

Figure 9.3 Corbis; Figure 9.5 © Sherwin Crasto/Reuters/Corbis; Figure 9.9 © Danny Lehman/Corbis; Figure 10.2 © Jim Craigmyle/Corbis; Figure 10.5 © Dana Hoff/Beateworks/Corbis; Figure 11.11 Luciney Martins, <http://www.mst.org.br>; Figure 12.11 © National Museums Scotland, Licensor www.scran.ac.uk; Figure 12.10 from *From Mahsuri to Mahathir*, Insan, (B. Bird 1989)

We are grateful to the Financial Times Limited for permission to reprint the following material:

Figure 5.3 redrawn from 'Global capital, trade and foreign currency transactions' (Lee, R., 2002) © *Financial Times*, 20 March 2002, p. 29; Figure 8.12 from 'Rock 'n' roll suicide' (Sanghera S., 2001), © *Financial Times*, 15 November 2001, p. 19.

In some instances we have been unable to trace the owners of copyright material, and we would appreciate any information that would enable us to do so.

Brief contents

<i>List of tables</i>	xi
<i>List of figures</i>	xiii
<i>Preface</i>	xvi
<i>Acknowledgements</i>	xviii

Part 1 INTRODUCTION

1	Introducing economic geography	1
2	From commercial geography to the 'cultural turn'? Approaches to economic geography	21
3	Shaping the capitalist economy: key actors and processes	42
4	Spaces of production and consumption	67

Part 2 CHANGING ECONOMIC GEOGRAPHIES

5	The uneven geographies of globalization	89
6	The state and the economy	114
7	The changing geographies of the multinational corporation	143
8	Geographies of the new service economy	167
9	The transformation of work and employment	198
10	Towards a knowledge-based economy: innovation, learning and clusters	227
11	Geographies of development	252
12	Tourism, culture and economic development	279
13	Conclusion	303
	<i>Glossary</i>	308
	<i>References</i>	329
	<i>Index</i>	347

Contents

<i>List of tables</i>	xi
<i>List of figures</i>	xiii
<i>Preface</i>	xvi
<i>Acknowledgements</i>	xviii

Part 1 INTRODUCTION

1	Introducing economic geography	1
1.1	Introduction	1
1.2	Key themes: globalization, uneven development and place	3
1.3	The economy and economic geography	11
1.4	A political economy approach	14
1.5	Outline of the book	18
2	From commercial geography to the 'cultural turn'? Approaches to economic geography	21
2.1	Introduction	22
2.2	Traditional economic geography	22
2.3	Spatial analysis in economic geography	25
2.4	The political economy approach in economic geography	28
2.5	Cultural and institutional approaches in economic geography	34
2.6	Summary	40
3	Shaping the capitalist economy: key actors and processes	42
3.1	Introduction	43
3.2	Capital	43
3.3	The labour process	52
3.4	Consumers and consumption	56
3.5	The state	62
3.6	Summary	64

4	Spaces of production and consumption	67
4.1	Introduction	67
4.2	The Industrial Revolution and the geographical expansion of capitalism	68
4.3	The rise and fall of industrial regions	74
4.4	Spaces of consumption	83
4.5	Summary	87
 Part 2 CHANGING ECONOMIC GEOGRAPHIES		
5	The uneven geographies of globalization	89
5.1	Introduction	89
5.2	Three perspectives on globalization	91
5.3	Globalization and the development of the world economy	92
5.4	Contemporary processes of economic globalization	94
5.5	Patterns of global inequality	98
5.6	Winners and losers in the global economy	106
5.7	The growth of the Global Justice Movement	110
5.8	Summary	112
6	The state and the economy	114
6.1	Introduction	115
6.2	Understanding the 'qualitative state'	115
6.3	The Keynesian Welfare State	118
6.4	The developmental state	124
6.5	Reinventing the state: neoliberalism, globalization and state restructuring since 1980	127
6.6	Summary	141
7	The changing geographies of the multinational corporation	143
7.1	Introduction	144
7.2	The changing geography of FDI	144
7.3	Understanding the emergence of the MNC	146
7.4	How global are they?	150
7.5	The embedded geographies of MNCs: the continuing influence of home countries on MNC strategies	154
7.6	The impact of MNCs on host regions	157
7.7	Summary	165
8	Geographies of the new service economy	167
8.1	Introduction	168
8.2	The nature and scope of the service sector	169
8.3	The growth of services	172

8.4	Global patterns of trade and investment in services	173
8.5	Business and financial services and world cities	182
8.6	Digitization and the Internet economy	186
8.7	Globalization and the geographical dispersal of services	190
8.8	Summary	195
9	The transformation of work and employment	198
9.1	Introduction	198
9.2	Conceptualizing work and employment	199
9.3	Changing forms of employment	206
9.4	A crisis of trade unionism?	216
9.5	From a geography of labour to a labour geography	219
9.6	Summary	225
10	Towards a knowledge-based economy: innovation, learning and clusters	227
10.1	Introduction	228
10.2	Knowledge, learning and innovation: key concepts	228
10.3	Agglomeration and learning	235
10.4	Clusters, innovation and competitiveness	238
10.5	Learning regions	241
10.6	Clusters and learning regions: an appraisal	245
10.7	Summary	249
11	Geographies of development	252
11.1	Introduction	253
11.2	The project of development	254
11.3	Theories of development	258
11.4	Patterns of development	266
11.5	Resisting development: the growth of local social movements in developing countries	269
11.6	Current development issues and challenges: trade, debt and aid	272
11.7	Summary	276
12	Tourism, culture and economic development	279
12.1	Introduction	280
12.2	The development of tourism	280
12.3	Consuming places: tourist experiences	283
12.4	Tourism and economic development	289
12.5	Tourism, culture and economic regeneration	295
12.6	Summary	300

13	Conclusion	303
13.1	Summary of key themes	303
13.2	Globalization , neoliberalism and regional development	305
	<i>Glossary</i>	308
	<i>References</i>	329
	<i>Index</i>	347

Supporting resources

Visit **www.pearsoned.co.uk/mackinnon** to find valuable online resources

Companion Website for students

- Key annual updates in Economic Geography

For more information please contact your local Pearson Education sales representative or visit **www.pearsoned.co.uk/mackinnon**

List of tables

2.1	Approaches to economic geography	23	7.1b	Foreign direct investment inward stock by world region and selected countries as a percentage of world total, 1914–2001	145
2.2	Fordist and post-Fordist modes of regulation	32	7.2	Hymer's stereotype, in which the space–process relationship takes the form A–B–C	148
3.1	Ownership structure of share capital in the UK's privatized utilities, 1993	45	7.3a	The world's most 'transnational' MNCs and selected other MNCs, rankings, 2003	151
3.2	The growth of the service sector	52	7.3b	The world's top 15 non-financial MNCs, ranked by foreign assets, 2003	151
3.3	The economic roles of the state	63	7.4	Employment change in 10 largest integrated oil companies, 1991–1998	153
4.1	Quantities of wheat and cloth production	69	7.5	Key oil and gas mergers and acquisitions in period since 1998	153
4.2	The spatial division of labour in manufacturing	78	7.6	Differences between US, German and Japanese TNCs	155
5.1	Three perspectives on economic globalization	90	7.7	Advantages and disadvantages of MNC inward investment for host regions	158
5.2	Exports and imports by geographical region, 1913	93	7.8	Footloose MNCs: recent examples of relocation/closure of FDI plants in Central Europe	163
5.3	Shares of world GDP, 1820 and 1913	93	8.1	The decline of industrial employment in selected G7 countries: percentage of workforce employed in industry	170
5.4	Merchandise exports as percentage of GDP, 1913–1998 (1990 prices)	95	8.2	Leading exporters and importers in world trade in commercial services, 2004 (percentage and rank)	176
5.5	World rankings for manufacturing value added, 2000	102	8.3	Outward FDI in services by country, 2001	177
5.6	World rankings for manufacturing exports, 1963–2004	104	8.4	The top ten accounting firms, ranked by total revenue, 2003	178
5.7	Growth rates by categories of state in the developing world and former communist world, 1975–2001	105	8.5	London's share of international financial markets	185
5.8	Income inequality indicators for selected countries, 2005	109	8.6	Selected offshoring cases, UK, 2003–2004	193
6.1	Unemployment insurance: members as a percentage of the labour force in selected European countries	118	9.1	Trends in knowledge v routine jobs in the US economy	208
6.2	The Keynesian Welfare State	119	9.2	Deindustrialization in selected developed economies: an uneven global picture	209
6.3	Long-term growth rates, 1820–1970	120			
6.4	Major regional economic blocs	132			
6.5	Regional inequalities: variance of the log of regional GDP per capita	140			
7.1a	Foreign direct investment outward stock by leading investing countries as a percentage of world total, 1914–2001	145			

List of tables

9.3	Job losses in selected West European regions through deindustrialization	210	9.7	Global framework agreements concluded between MNCs and global union federations, as at September 2005	220
9.4	Fordist and post-Fordist labour markets	211	11.1	Key theories of development	259
9.5	Average job tenure and tenure distribution for selected OECD countries	214	12.1	International tourism arrival and origin regions, 2004	282
9.6	Geographical variations in trade union decline for selected OECD countries	217	12.2	The shift to post-Fordist consumption in tourism	284

List of figures

1.1	Scales of geographical analysis.	3	3.8	Macy's: A famous New York department store with nineteenth-century origins.	58
1.2	'A shrinking world'.	4	3.9	The original retail district in nineteenth-century New York City.	59
1.3	Falling cost of London–New York telephone calls.	5	4.1	A freight train passing through Laramie, Wyoming.	70
1.4	Banana split: who gets what in the banana chain.	6	4.2	Chicago and the American Railroad Network, 1861.	71
1.5	Gross Domestic Product (GDP) per capita (PPP), 2003.	7	4.3	Surface mail (1866–69) and telegraph transmission (1870), times in days.	72
1.6	Foreign investment and capital utilization in China, 1999	8	4.4	The process of cumulative causation.	73
1.7	Skyscrapers in Shanghai.	9	4.5	UK manufacturing employment, 1851.	74
1.8	Poverty in Africa.	9	4.6	Europe in 1875.	75
1.9	The iceberg model.	12	4.7	The US manufacturing belt in 1919.	76
1.10	Employment in financial and business services in Britain, 2005.	13	4.8	Shipbuilding employment in Britain, 1911.	76
1.11	Industrial districts in Italy.	17	4.9	The manufacturing belt in the former Soviet Union.	77
2.1	Demand and supply curves.	22	4.10	The regional distribution of employment in Britain, 1841–1986.	80
2.2	Regional economic specialization in Asia under colonialism.	24	4.11	The location of 'Silicon Valley'.	81
2.3	Weber's locational triangle.	26	4.12	McDonald's in Beijing.	83
2.4	Central places in southern Germany.	26	5.1	Transport and settlement patterns in a colonial economy.	94
2.5	Dialectics.	28	5.2	The growing interconnectedness of the world economy.	96
2.6	Gentrification in London Docklands.	30	5.3	The growth in global currency transactions relative to global trade plus foreign investment.	97
2.7	Christmas consumption.	36	5.4	The world trade network.	99
2.8	The sports utility vehicle (SUV).	38	5.5	The world's macro-regions.	100
3.1	The process of production under capitalism.	44	5.6	World map of manufacturing production.	101
3.2	Wall Street.	46	5.7	World map of services exports.	103
3.3	Venture capital investment in the United States by region, 1997.	46	5.8	World map of chronic undernourishment.	106
3.4	North-east England: regional setting and settlements.	47	5.9	Countries whose economic wealth declined in real terms, 1990–2001.	107
3.5	Kondratiev cycles.	49	6.1	A world of states.	116
3.6	Location of the textiles industry in northern England, 1835.	50			
3.7	The Ford assembly line.	55			