

**E-Learning module
SEMESTER-IV
PAPER-GEO-A-CC4-08-TH
ECONOMIC GEOGRAPHY**

**Concept and classification of
economic activities
Economic Activities: unit-2**

**By
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What is economic activity

Economic activity is the **activity** of making, providing, purchasing, or selling goods or services. Any action that involves producing, distributing, or consuming products or services is an **economic activity**.
... Additionally, any **activities** involving money or the exchange of products or services are **economic activities**.

What are the 5 types of economic activities?

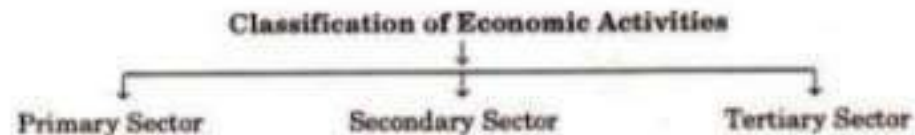
- Any activity undertaken under the five sectors of a country's economy, namely – primary, **secondary**, tertiary, quaternary and quinary sectors come under the purview of economic activities.
- **What are the main economic activities?**
- The four essential **economic activities** are resource management, the production of goods and services, the distribution of goods and services, and the consumption of goods and services.

- **Economic activities** are mostly divided into four large **types**. These **types** are the primary, secondary, tertiary, and quaternary **activities**.

Classification of economic activities:

In terms of the national economy, a basic classification of economic sectors, broken into four basic sectors is used:

1. Primary Sector (Raw Materials)
2. Secondary Sector (Manufacturing and Industry)
3. Tertiary Sector (Service Sector)
4. Quaternary Sector (Knowledge Sector)
5. Quinary Sector (Decision Making Sector)



- The **primary sector** of the economy includes any industry involved in the extraction and production of raw materials, such as farming, logging, hunting, fishing, and mining. The **primary sector** tends to make up a larger portion of the economy in developing countries than it does in developed countries.



- **Secondary activities** are those **activities** which involve the manufacturing of finished goods by processing the raw materials that are found in the nature. Examples: Manufacturing steel.
- **Activities** associated with the **secondary** sector include metal working and smelting, automobile production, textile production, chemical and engineering industries, aerospace manufacturing, energy utilities, engineering, breweries and bottlers, construction, and shipbuilding.



Features of Secondary Economic Activity:

- i. The secondary sector involves the transformation of raw materials into goods.
- ii. Secondary activity is mainly associated with manufacturing and industry.
- iii. Example of secondary sectors are- textile, leather industry, ceramic industry, cash crop industry etc.
- iv. In developing countries, very few people (5% average) work in secondary sectors.
- v. In developed countries, moderate number people (25% average) work in secondary sectors.
- vi. It includes the processing of raw materials.
- vii. Secondary activity ultimately leads to industrialization.

3. Tertiary Sector:

The service sector of the economy is called tertiary sector. Services of various kinds like education, health, banking, insurance, trade and transport are included in this sector. In advanced countries, the contribution of tertiary sector to national income is the highest.

4. Quaternary Sector: The quaternary sector of the economy is a way to describe a knowledge-based part of the economy, which typically includes services such as information technology, information-generation and -sharing, media, and research and development, as well as knowledge-based services like consultation, education, financial planning, blogging, and designing.

5. Quinary Sector

Some consider there to be a branch of the quaternary sector called the quinary sector, which includes the highest levels of decision making in a society or economy. This sector would include the top executives or officials in such fields as government, science, universities, nonprofit, healthcare, culture, and the media.

Features of Tertiary Economic Activity:

- i. The tertiary sector involves the supplying of services to consumers and businesses.
- ii. This sector provides services to the general population and businesses, including retail, sales, transportation and restaurants.
- iii. The types of workers in this sector include restaurant bartenders, accountants, pilots etc.
- iv. Frequency of tertiary activity indicates the matured period of economic development in a state.
- v. In developing countries, few people (10% average) work in tertiary sectors.
- vi. In developed countries, most people (65% average) work in tertiary sectors.
- vii. The tertiary sector indicates a competition in international business sector.

Tertiary Activities



- Industries that provide a service to people & businesses.
- Health care, sales, transportation, banking, entertainment, restaurants, clerical services, tourism, insurance, law, etc.



- This consists of information technology; media; **research** and **development**; information-based services such as information-generation and information-sharing; and knowledge-based services such as consultation, education, financial planning, blogging, and designing.

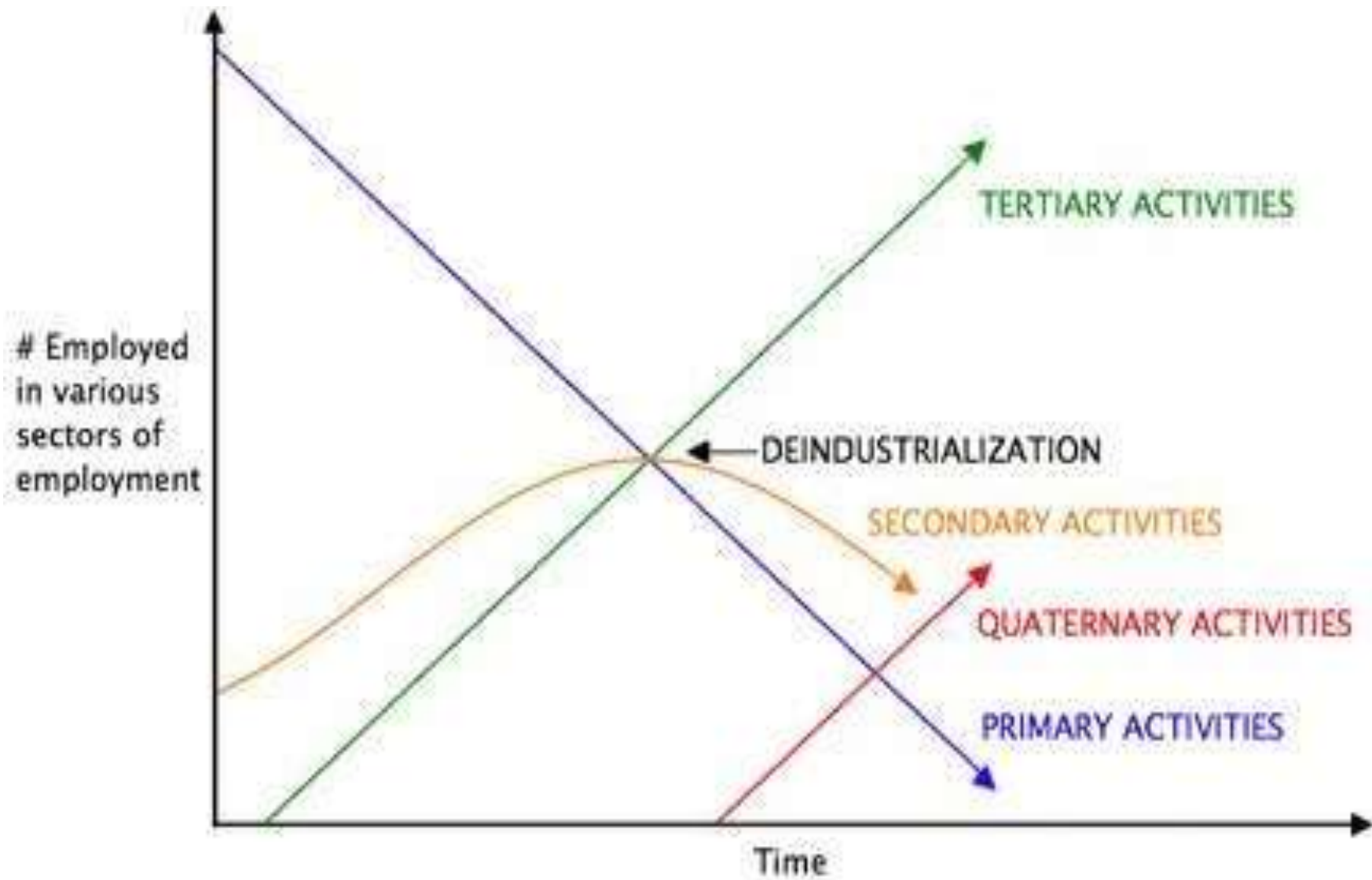
Features of Quaternary Economic Activity:

- i. It is a knowledge based sectors.
- ii. Computing knowledge, ICT expertise, scientific research etc. are included in this sector.
- iii. The developing countries have almost 1 or less than 1 percentile of this sector.
- iv. The developed countries have a notable percentage of quaternary sectors.
- v. It indicates a permanent stability and richness of economy of a country.
- vi. Decision making and planning activities are enhanced in this sector.
- vii. The development of this sector leads to quinary economic activity which is based on decision making actions.

Quaternary Economic Activities

- Economic Activities that focuses on getting, processing and sharing information.
- Examples:
 - Education
 - Researchers
 - Government workers
 - CEO's
 - Technology creators



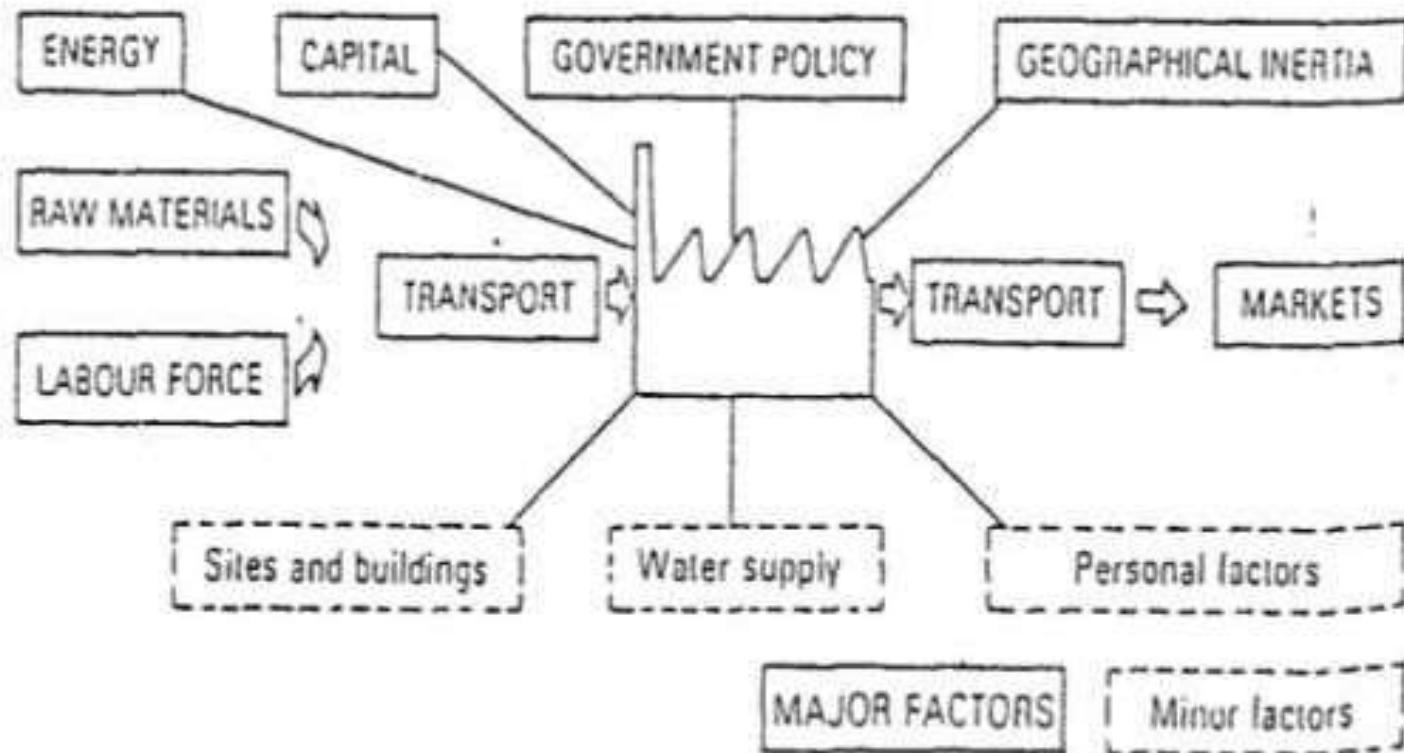


location of industry

location of industry. the geographical spread of **economic** activity within an economy.

A multitude of factors influence the **location** decisions of firms and **industries**, including proximity to raw material supplies, availability of labour, good communications and nearness to markets.

Flowchart Depicting Various Factors Affecting Industrial Location



Industrial location factors

- **Industrial location factors**
- power supply.
- communications - including transport, telecommunications.
- labour supply - including workers with the right skills.
- access to market - where the goods are sold.
- grants and financial incentives - usually from governments.
- raw materials.

- There are several factors which pull the industry to a particular **place**. Some of the major factors influencing location are discussed below: 1. **Availability of raw materials**: In determining the location of an industry, nearness to sources of raw **material** is of vital **importance**.

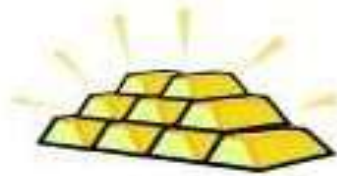
PHYSICAL FACTORS

- LAND
- RAW MATERIALS
- POWER/ENERGY



RAW MATERIALS

1. Ubiquitous
Water, Air, Soil.....



2. Localized
Iron ore, coal, gold, tin, wood..



LAND

- **Location**
- **Size**
- **Landform**
- **Cost**



Heavy industries: A large area of cheap low flat land.
Light industries: Small pieces of land are also fine.

HUMAN FACTORS

- LABOUR
- TRANSPORT
- MARKET
- TECHNOLOGY
- CAPITAL
- GOVERNMENT POLICIES
- AGGLOMERATION



LABOUR

- Cost of Labour – Wage Level
- Skills of Labour
Highly skilled, Semi-skilled, Unskilled
- Labour Mobility
 - Highly skilled (highly mobile)
 - Semi-skilled (fairly mobile)
 - Unskilled (least mobile)
- Reputation

TRANSPORT

Transportation link is a major advantage for any region to be industrialized.

It is important to make available the raw materials and for the supply of finished goods to the markets.

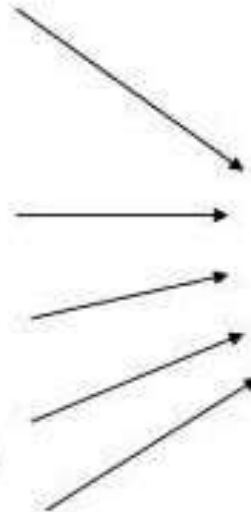


Transport cost is a critical factor affecting industrial location in India.

POWER/ENERGY

Type of Power

- Water → H.E.P.
- Fossil fuel
 - Coal
 - Oil
 - Natural Gases
- Nuclear



Electricity



Essential for Modern Industry

TRANSPORT

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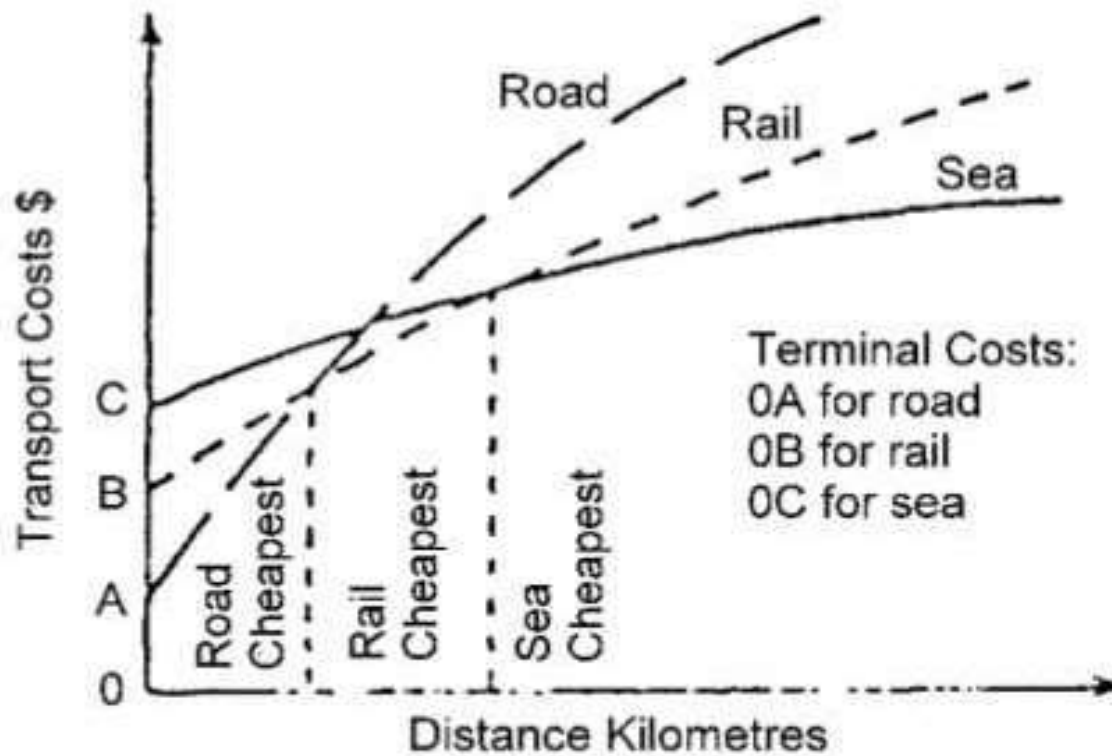


Transport cost is a critical factor affecting industrial location in India.

CHOSING THE CORRECT MODE OF TRANSPORT

Mode	Long distance	Short distance	Speed	Goods Type
Water	Cheapest	Highest	Slow	Bulky, low value, non-perishability
Rail	Cheap	High	Fast	Bulky
Road	Highest	Cheapest	Fair	Door to door, light
Air	High	-----	Fastest	High value, fragile Perishability

MODES OF TRANSPORT



MARKETS

Markets are where the finished products will be finally go.

Markets attract many industries to locate

–Good infrastructure

**Transportation, Electricity supply,
water supply, drainage system,
communication.....**

–Large population size

–Large labour force

–Skilled labour

–Obtain advanced technology

–Industrial agglomeration



**The scene of the busy
Crawford Market of Bombay.
or Mumbai**

TECHNOLOGY

- Technology is very importance
 - It change the production process completely
- It is a localized factor
- Ways to obtain technology
 - From advanced countries (developed world)
 - Universities
 - Research Centre



Products which are highly specialized and involve high levels of technology are usually manufactured in developed countries.



GOVERNMENT POLICY

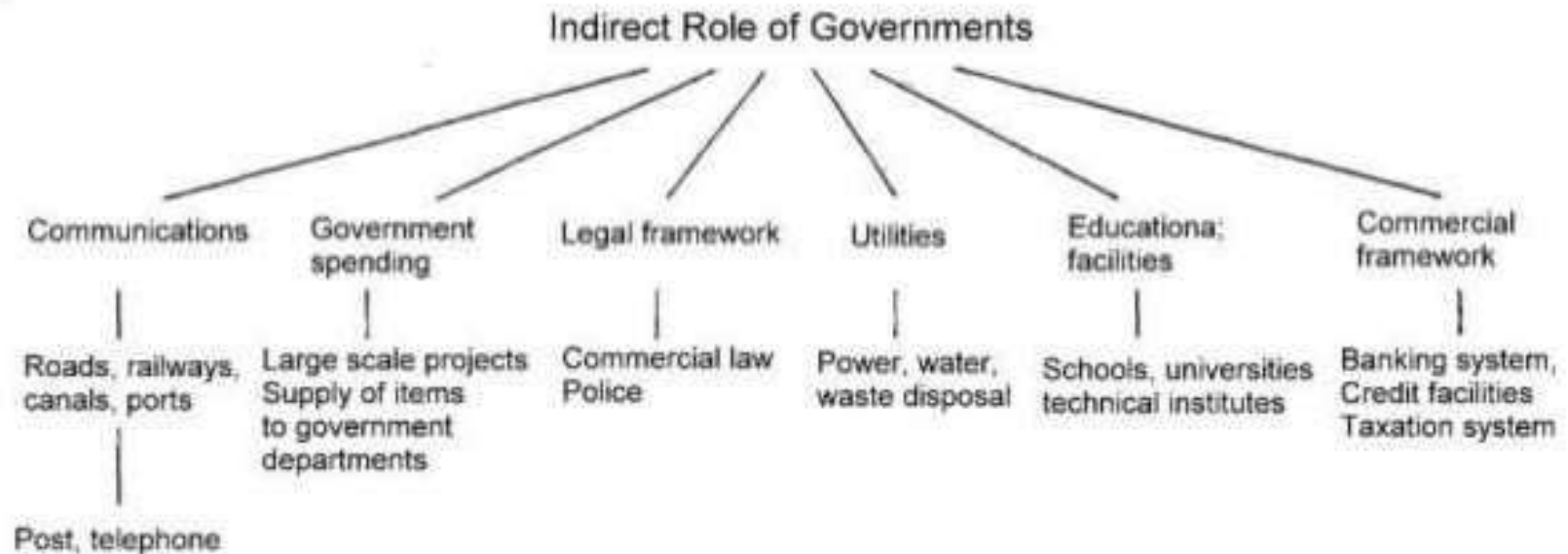
Rationale of government intervention

Strategic reasons: eg. China, USA

Economic reasons

- Promote overall economic growth
- Promote the growth of a particular industry
- Diversify the economy
- Ensure regional economic balance
- Ensure efficient utilization of resources

GOVERNMENT DEFINITELY PLAYS AN INDIRECT ROLE



AGGLOMERATION

The clustering of several similar or related activities at the same location. Many industries have firms that tend to agglomerate, that is, locate very close to one another, leading to geographic concentration.



AGGLOMERATION LEADS TO INDUSTRIAL LINKAGES

Industrial Linkages

- Locational choice
- Continuing operation of firms at given location
- Constraint on movement



TYPES OF LINKAGES

Material Linkages (Tangible)

- Process Links
- Sub-contract Links
- Service Links
- Marketing Links

Information Linkages (Non-tangible)

- Banks, stock-brokers, telephone and face to face contact between firms

REASONS FOR AGGLOMERATION

(External Economies of Scale)

- **Transport savings**
- **Access to skilled labour**
- **Presence of ancillary services.**
- **Possibility of internal economies**
- **Infrastructure savings**
- **Attract investment**
- **Research and development**

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Factors Effecting Economic Activities

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Factors affecting location of economic Activities

- Though the number and variety of the different resources businesses require is limitless, economists divide the **factors of production** into three basic categories:
- **land, labor, and capital.** **Land** refers to all of the **natural resources** that businesses need to make and distribute goods and services.

Influencing factors of agriculture economy

- **Natural components:**
- Temperature
- Rainfall
- Landform
- Soil
- **Economic components:**
- Labour
- Transport
- Demand or market

Influencing factors in industrial economy

- 1) raw material
- 2) influence of transport
- 3) influence of labour force
- 4) influence of capital
- 5) influence of administrative rules

Von Thunen - A Model of Agricultural Land Use

- The Von Thunen model of agricultural land use was created by farmer and amateur economist J.H. Von Thunen (1783-1850) in 1826 (but it wasn't translated into English until 1966). Von Thunen's model was created before industrialization and is based on the following limiting assumptions.

- This theory is **based on the concept of Economic Rent** which is prevalent in farm market distance relationships. The **agricultural location theory is one of the earliest attempts to explain the pattern of land use in economic terms which was proposed by Von Thunen.**

Assumptions

1. The city is located centrally within an "Isolated State" which is self sufficient and has no external influences. The Isolated State is surrounded by an unoccupied wilderness. The land of the State is completely flat and has no rivers or mountains to interrupt the terrain.
2. The soil quality and climate are consistent throughout the State

3. Farmers in the Isolated State transport their own goods to market via oxcart, across land, directly to the central city. Therefore, there are no roads. Farmers act to maximize profits.
4. In an Isolated State with the foregoing statements being true, Von Thunen hypothesized that a pattern of rings around the city would develop.

He made a number of ASSUMPTIONS for his theory and subsequent model:

- 1. There is a single market place with no connections; his theory was called the isolated state. Is this a likely real life situation?
- 2. Homogeneous physical environment (isotropic surface)
- 3. Uniform labor costs
- 4. Transportation equally possible in all directions
- 5. Transportation costs are directly related to distance
- 6. Farmers are rational and opt for those types of agriculture that produce the greatest locational rent

He had two basic postulates –

- The **intensity of the production of particular crop declines with the distance from the Market.** Here the intensity of production means the amount of inputs per unit area of the land.
- The **type of land use will vary with distance from the Market.**

Economic rent

Production Area

Market



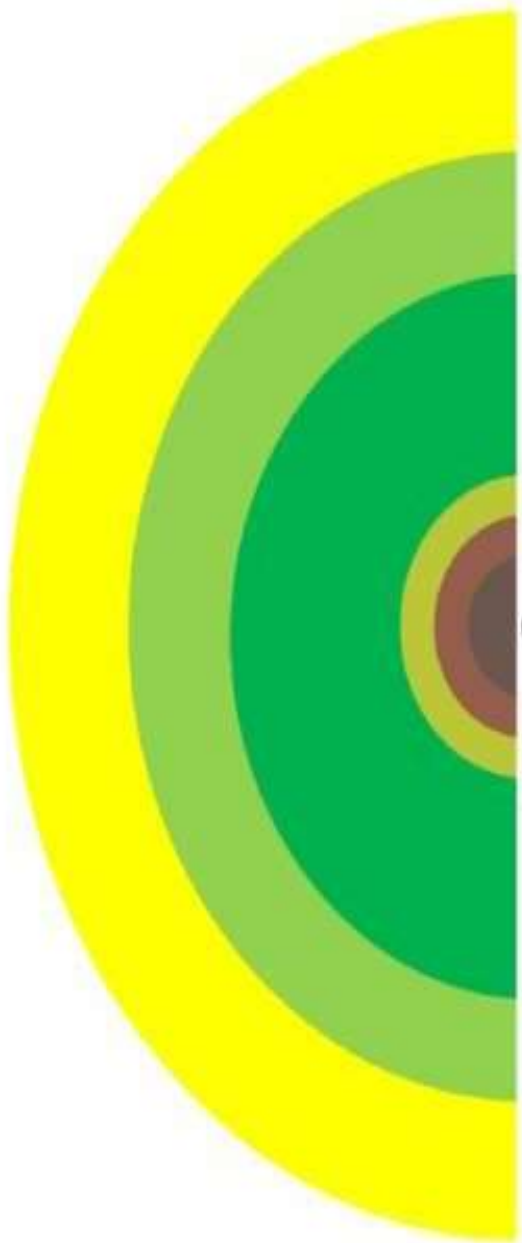
Price

- $LR = Y(m - c) - Ytd$,
- Where **LR**= locational rent per unit of land,
Y= yield per unit of land, **m**= market price per unit of land,
c= production cost per unit of product,
t= transport rate per unit of distance,
d= distance from the market.

- The term “rent” has many meanings. The rent term most of you are probably familiar with is that of contract rent or money paid for land or other property. Economic/Locational rent is important in the agricultural location theory of Von Thunen.
- He observed that farmers with the same kind of land and the same kind of environmental exposure use their land differently. Some grew one kind of a crop and others grew something else. Why? Further, land uses of these differences formed concentric zones or rings around cities. Why? Von Thunen hypothesized that land use variations exist because of differential transportation costs.

- **Economic rent is the measure of the advantage of one piece of land over another.** Since all farmers receive the same price at the market and production costs are also assumed to be the same, the only advantage one piece of land has over another is its location from the market. **So, if it's closer to the market its locational rent is higher and it reduces with the distance from the market i.e.**

Isolated State



Modified Conditions

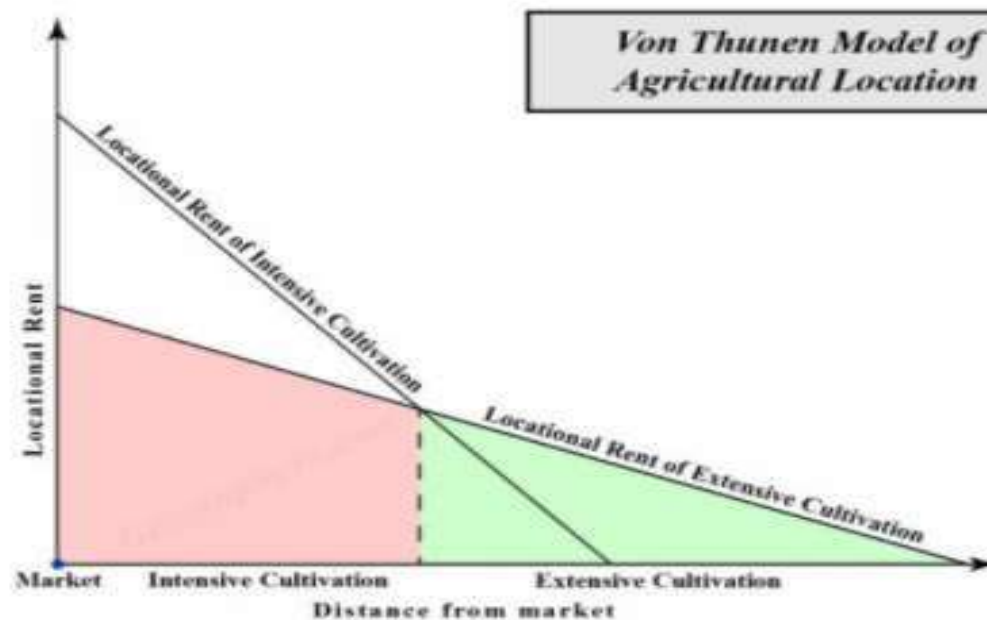


- Central city
- Navigable river
- Market gardening and milk production
- Firewood and lumber production
- Crop farming without fallow
- Crop farming, fallow and pasture
- Three-field system
- Livestock farming

- Von Thunen theory of agricultural location
- Intensity Theory, Crop theory

Intensity Theory

Due to the rise in transportation cost, intensive cultivation is most suitable near the city centre. Therefore, the intensity of production of a particular crop declines with distance from the market.



Von Thunen Model of Agricultural Location

Crop Intensity Model of Von Thunen

Zone-1: Market Gardening and milk production

- Zone-1 would be dedicated to cash cropping. Due to deficiency of food preservation facilities, primitive modes of transportation, and the **highly perish nature of products, market gardening, and milk production were most suitable in this zone.**
- Zone-2: Firewood and Lumbering production
- The **second zone was marked by the production of firewood.** Due to heavy bulkiness and primitive transportation modes, wood was comparatively costly to be shipped. It was also used as a fuel and building material. However, the outer limit of this zone was marked by wood which was highly in demand in the market.

- Zone-3: Grain crops with no fallow land
- Unlike zone-2, the zone-3 was marked by food grains. **Rye was the most important market** product of this zone, **having no fallow land**. The cropping intensity of this zone was highest as compared to zone-4 and zone-5. Most importantly, grains could be stored, easy to transport and last longer than milk products. Also, the agricultural land would be cheaper farther away from the market.
- Zone-4: Grain crops with 14% of fallow land
- This zone was **marked by 14% of fallow land**, having **less crop intensity as compared to zone-3**. The **farmers** of this zone usually **practised seven years crop rotation** with one year each rotation of rye, barley and oats, three-year rotation of pastures and one year as fallow land.

- Zone-5: Three field system
- Like zone-2, this zone was **marked by extensive cultivation having 33% of land as fallow.** The farmers of this zone **practised three-field system**, having $1/3^{\text{rd}}$ of land as crop field, $1/3^{\text{rd}}$ as pastures and rest left for fallow land.
- Zone-6: Livestock ranching (Grazing)
- The **market products** of this zone would be of two types namely, **livestock and by-products of milk** like cheese, butter, etc. which would not highly perishable. Also, the reduction in the volume of these by-products made them **cost-effective in terms of transportation.**

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SECONDARY ACTIVITIES

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What is secondary activities

- **Secondary economic activities** involve the processing of raw materials (primary products). Examples would include turning timber into furniture and turning iron-ore into steel. Any factory can be seen as a system involving inputs (e.g. timber) processes (e.g. cabinet making) and outputs (e.g. tables and chairs).

- Industries which are involved in making more valuable and useful goods from the products of primary activities such as agriculture, forestry, fishing and mining are called **secondary activities**. Manufacturing of cloth from cotton; sugar from sugarcane etc. are the **examples of secondary activities**.

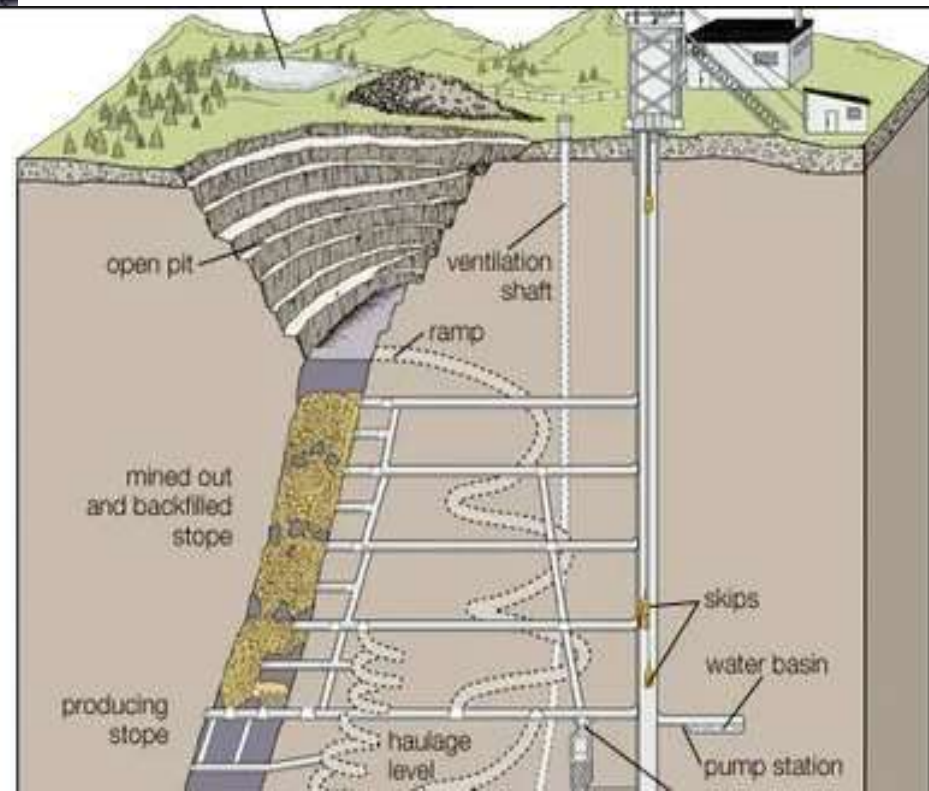
- Alexander and Gibson (1979; 51) have **classified economic activities** in two broad categories, i.e., subsistence and commercial. The commercial **activities** have been further **classified** as – gathering, bicultural, manufacturing, transportation and trade, and services.
- **Industries** are divided into two types, on the basis of the raw materials used. Agro Based **Industries**: Cotton, wool, jute, silk textile, rubber, sugar, tea, coffee, etc. Mineral Based **Industries**: Iron and steel, cement, aluminum, petrochemicals, etc.

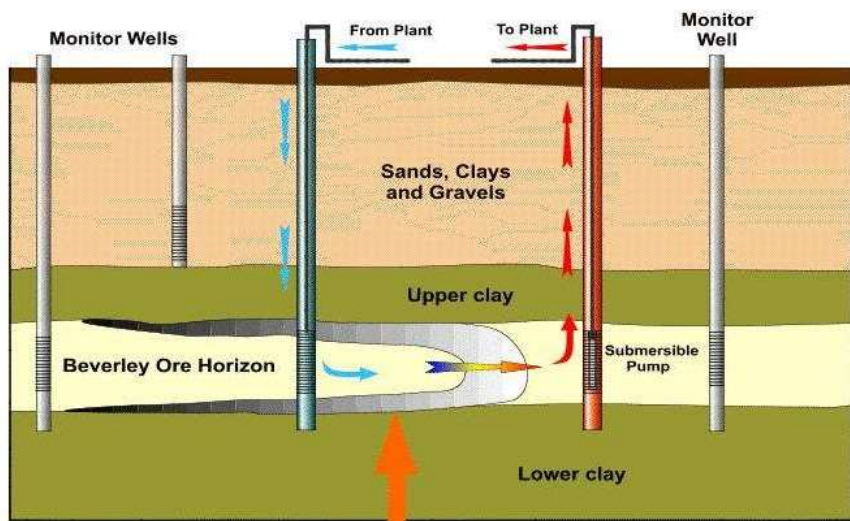
- There are two types of manufacturing economy

- 1) Mining economy

- 2) Industrial economy

- **Mining** is extraction of valuable minerals or other geological materials from the earth usually from an ore body, lode, vein, seam, reef or placer deposits. These deposits form a mineralized package that is of **economic** interest to the miner.
- In addition, **mining** is economically **important** to producing regions and countries. It provides employment, dividends, and taxes that pay for hospitals, schools, and public facilities. ... **The economic** opportunities and wealth generated by **mining** for many producing countries are substantial.





Uranium Deposit



Economic Benefits of Mining

- Providing livelihood to local communities.
- Generating income for the local government thereby directly contributing to its economy.
- Promoting a more efficient use of energy, saving people money.
- Promoting environmental awareness through rehabilitation programs resulting to more renewable sources than ever.

- **Mining** can **impact** local communities both positively and negatively. While **positive impacts** such as employment and community development projects are important, they do not off-set the potential negatives. We have found **mining** can negatively affect people by: forcing them from their homes and land.

There are four main mining methods:

- underground, open surface (pit), placer, and in-situ mining.
- Underground mines are more expensive and are often used to reach deeper deposits.
- Surface mines are typically used for more shallow and less valuable deposits.
- Placer mining is used to sift out valuable metals from sediments in river channels, beach sands, or other environments.
- In-situ mining, which is primarily used in mining uranium, involves dissolving the

Industrial economy

Classification of industries:

a) According to size of industry: 1) cottage industry 2) small scale industry 3) medium scale industry 4) large scale industry

b) According to nature of production:

- Automobile
- Electrical industry
- Chemical Industry
- Energy industry (according to some sources it is on the border of the tertiary sector)
- Metallurgical industry
- Construction Industry
- Food Industry
- Glass industry
- Textile and clothing industry
- Consumer goods industry (all consumables)

Features of Industrial economy

- Collection of raw materials and send them to industry
- Create secondary products with the help of machines and technology
- Need of huge man power
- Market oriented economy
- Product have to send to market

Influential factors in industrial economy

- Influence of raw materials both primary and secondary
- Need very good and well connected transport system
- Industry need very high productive and technologically sound labour force
- It need huge capital
- Need of administrative by laws and rules
- Evolution of industrial economy

Influence of industrial economy (manusher upor probhab)

- Develop lifestyle and increase of per capita income
- Changes in occupation structure
- Development of education
- Land scarcity
- Increasing of population
- Changes in nature of land use
- Urbanization
- Development of transport system
- Improvement of technology
- Increasing in business or tertiary sectors

Examples of heavy industries of the secondary sector

- Heavy industry is a term usually used to denominate the manufacture of large projects such as ships, aircraft or heavy machinery. Some activities are:
- Petroleum and Coal Products Manufacturing such as petroleum refineries, asphalt paving mixture, asphalt shingle, and coating materials manufacturing.
- Chemical manufacturing such as petrochemical, industrial gas, synthetic dye and pigment, and ethyl alcohol manufacturing. Also pesticide, fertilizer, and other agricultural chemical manufacturing.
- Glass and glass products.
- Cement and concrete production.
- Iron and steel mills and ferroalloy manufacturing, steel product manufacturing, alumina, and aluminum production and processing.
- Agriculture, construction, mining, and industrial machinery manufacturing.
- Transportation Equipment Manufacturing such as motor vehicle body and trailer manufacturing, aerospace product and parts manufacturing, and ship and boat Building.

- Characteristics of the secondary sector of the economy
- World industry is concentrated in the United States, China, Europe, Japan, India, and South Korea.
- Light industries are located in urban areas, while heavy industries located mostly outside urban areas.
- Capital and labor intensive
- Depends on raw materials from the primary sector of the economy.

Importance of Secondary Sector and Its Features

- Labour and resources are both required.
- Small businesses are concentrated in cities, while steel mills are concentrated beyond the cities.
- Its survival depends on the basic industry.

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Special economic zone (SEZ)

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Special economic zone (SEZ)

A **special economic zone (SEZ)** is an area in which the business and trade laws are different from the rest of the country. SEZs are located within a country's national borders, and their aims include increased trade balance, employment, increased investment, job creation and effective administration. To encourage businesses to set up in the zone, financial policies are introduced. These policies typically encompass investing, [taxation](#), trading, quotas, [customs](#) and [labour regulations](#). Additionally, companies may be offered [tax holidays](#), where upon establishing themselves in a zone, they are granted a period of lower taxation.

A **special economic zone (SEZ)** is an area in a country that is subject to different economic regulations than other regions within the same country. The economic regulations of **special economic zones (SEZs)** tend to be conducive to—and attract—foreign direct investment (FDI).

Special Economic Zones in India were established in an attempt to accelerate foreign investment and endorse exports from India and recognizing the need of a global platform to expose the domestic firms and producers to the competitive world market. The announcement of formulating a Special Economic Zones policy in India was made by the government in April 2000 and was anticipated to be an overseas province for trade purposes, commercial operations, duties and taxes.

Which is the first SEZ in India?

ANS:

Kandla

The development of SEZs in India

In fact, Asia's first EPZ was established in 1965 at Kandla, Gujarat state



SPECIAL ECONOMIC ZONE

SEZ TYPOLOGY

SEZs in India

At present there are Eight functional located at:

- SantaCruz (Maharashtra),
- Cochin (Kerala),
- Kandla and Surat (Gujarat),
- Chennai (Tamil Nadu),
- Visakhapatnam (Andhra Pradesh),
- Falta (West Bengal)
- Nodia (Uttar Pradesh) &
- Nagpur (Maharashtra)
- Raipur (Chatisgarh)
- Indore(Madhyapradesh)
- Jamshedpur(Jharkhand)
- Indore(Madhyapradesh)
- Satna(Madhyapradesh)



SPECIAL ECONOMIC ZONE

How many in India

The Ministry of Commerce and Industry data show that 230 out of the 373 **Special Economic Zones (SEZs)** in **India** are operational and have provided employment to as **many** as 20 lakh people.

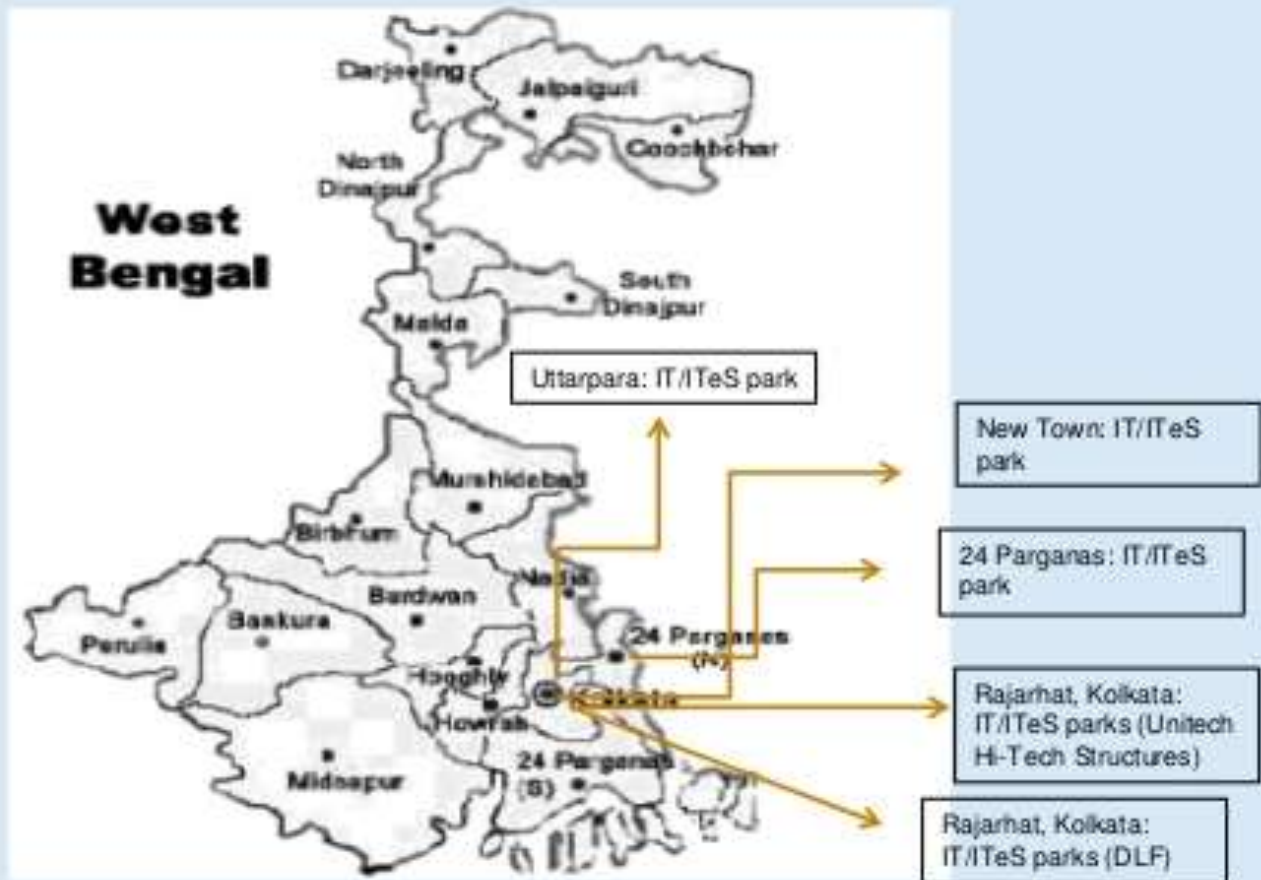
Tamil Nadu has the maximum numbers of operational SEZ.

Objectives /advantages of Special Economic Zones in India

Generation of additional economic activity
Promotion of exports of goods and services
Promotion of investment from domestic and foreign sources
Creation of employment
Development of infrastructure facilities
Simplified procedures for development, operation, and maintenance of the Special Economic Zones and for setting up units and conducting business
Single window clearance for setting up of a SEZ and an unit in SEZ
Single window clearance on matters relating to Central as well as State Governments

SEZs in West Bengal

Notified SEZs in West Bengal⁽¹⁾



Understanding Special Economic Zones (SEZs)

SEZs are usually created in order to facilitate rapid economic growth in certain geographic regions. This economic growth is accomplished by leveraging tax incentives as a way of attracting foreign dollars and technological advancement. SEZs may also increase export levels for the implementing country and other countries that supply it with intermediate products. However, there is a risk that countries may abuse the system and use it to retain protectionist barriers (in the form of taxes and fees). SEZs can also create a high level of bureaucracy due to their regulatory requirements. This can have the effect of funneling money away from the system, making it less efficient.

While there are benefits for businesses, individuals, or entities operating within an SEZ, the macroeconomic and socioeconomic benefits for a country using an SEZ strategy are subject to debate.

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ECONOMIC GEOGRAPHY**

Technology Park

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What is an IT park?

- Information **park**. Similar to industrial **parks** or estates, an area where buildings and facilities are designed for housing information science and technology related firms, and which provides an infrastructure for very high speed telecommunications.

Concept and Definition

- Concept and Definition The term "science and technology park" includes any kind of high-tech cluster such as: technopolis, science park, science city, cyber park, hi tech (industrial) park, innovation centre, Research & Development park, university research park, research and technology park, science and technology park, technology park, technology incubator, technopole and technology business incubator.
- However there are slight differences between some of these terms. The first science and technology park was created on the campus of Stanford University more than 50 years ago. It has transformed the Silicon Valley area from one of the poorest regions in the USA into a global centre of technology, finance, education and research. Silicon Valley is the U.S. center for innovative technology companies. It's located south of San Francisco, California for a 25 mile stretch of technology parks, offices. It's home to 2,000 tech companies, the densest concentration in the world. This proximity to suppliers, customers, and cutting-edge research gives each a competitive advantage. Even more important, most of them are also leaders in their industries. These include software, social media, and other uses of the internet. Its companies also produce lasers, fiber optics, robotics, and medical instruments. The most well-known Silicon Valley companies are Apple, Facebook, Google, and Netflix. The area also launched Tesla, Twitter, Yahoo!, and eBay. There are many business support companies such as Cisco, Oracle, Salesforce.com, Hewlett-Packard, and Intel. Other companies include Adobe, Intuit, and Zynga.

What Is Technology Park Concept?

- The ultimate objective of a technology park is to provide an environment that will enable the localization of various tech-related companies. It is a development that brings together office spaces, residential areas, and retail developments in order to enhance the operations of tech corporations, thereby providing various benefits and economies of scale to each individual business entity.
- Technology parks like the Info city IT Park in Gujarat are able to perfectly integrate row houses, residential complexes, villas, as well as low-rise and high-rise apartments with commercial and convenience establishments, clubs and resorts, and various facilities that make living and working as comfortable as possible. All of these amenities are ideally supposed to help in attracting investors and to promote the setting up of various businesses, ensuring that they get all they need to thrive and reach their operating objectives.
- Usually, technology parks take some land space, and there is usually a lot of consideration given to them in order to thrive and work towards their full potential. However, the major purposes of technology parks are usually any of the following:

The advancement of technology

- **The attraction of investment**
- **The establishment of companies**
- Technology parks also create enabling environments for startups and tech companies to come and set up nicely. Thanks to the infrastructure that they will get, these companies will be able to comfortably pursue their goals and work towards achieving set objectives.
- **Job creation**
- A direct consequence of company establishment, jobs will be created, and more people will be able to get suitable jobs.
- **The development of an area**
- Thanks to the concentration of companies and the attraction of investment, infrastructural development in the general area where

Top 10 best countries for IT professionals are:

- **1. The USA**
- **2. Canada**
- **3. United Kingdom**
- 4. Australia**
- 5. Germany**
- 6. France**
- **7. Singapore**
- **8. Spain**
- **9. The Netherlands**
- **10. South Africa**

The Indian IT-BPM Industry

- International Tech Park, **Bengaluru**
- Magarpatta Satellite Township, **Pune**
- Electronics City, **Bengaluru**
- HITEC City, **Hyderabad**
- Millennium City IT Park, **Kolkata (Sector –V)**
- SIPCOT IT Park, **Chennai**
- CyberVale IT Park, **Chennai**
- Infocity, **Gandhinagar**
- Delhi IT park, **Delhi**
- DLF IT park, **Noida**
- Infotech park, **Mumbai**

Which is the biggest IT park in India?

- Technopark which is located at Thiruvananthapuram is the largest Information Technology **Park in India** in terms of developed area.

INDIA

SOFTWARE PARKS







Infocity, Gandhinagar



KRISP IT Park, Chennai



Infotech Park, Mumbai



Electronics City Bangalore



Millennium City IT Park, Kolkata



NOIDA, Delhi

<https://www.theinfocity.in/what-is-technology-park-concept/>

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THEORY OF INDUSTRIAL LOCATION
Alfred Weber

By
Dr. Sibnath Sarkar
Department of Geography
Rammohan College

FROM 1907 TO 1933, WEBER
WAS
A PROFESSOR OF
ECONOMICS AT THE
UNIVERSITY OF
HEIDELBERG, GERMANY

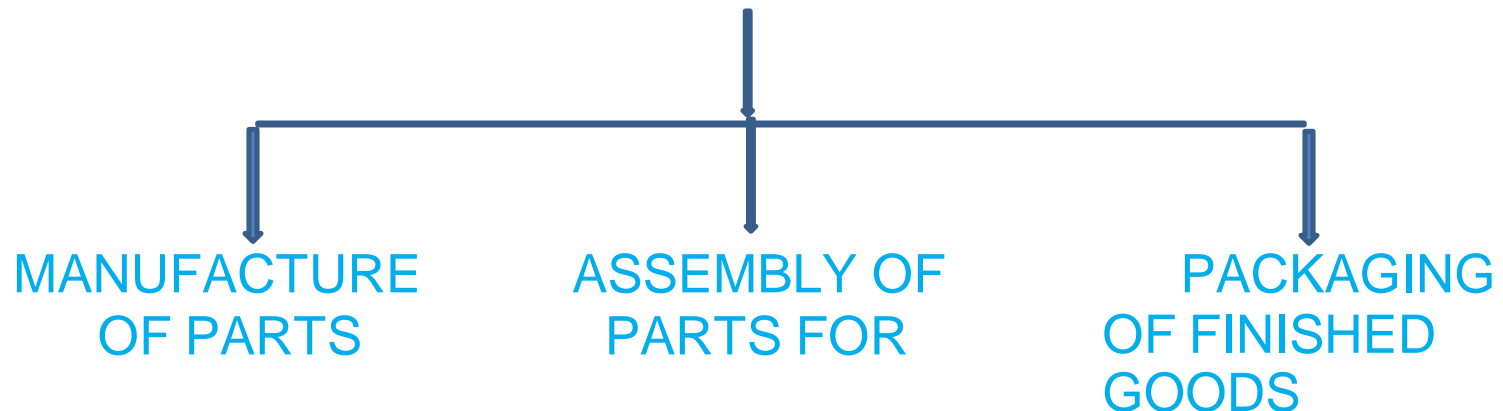
UNTIL HIS DISMISSAL
FOLLOWING CRITICISM OF
HITLERISM.

WEBER'S THEORY WAS PUBLISHED IN
1909 IN GERMAN LANGUAGE
AND SUBSEQUENTLY IN 1929
IN ENGLISH BY FREIDRISCH.
HIS THEORY IS CALLED THE
LEAST COST
LOCATION THEORY.

ASSUMPTIONS OF WEBER'S THEORY

- **A THE CENTRES OF CONSUMPTION ARE FIXED**

PRODUCTION



FINISHED GOODS

FACTORS INFLUENCING

LOCATION OF PLANTS

1. PRIMARY OR REGIONALFACTORS
2. SECONDARYOR
AGGLOMERATIVE AND
DEGLOMERATIVE

PRIMARY FACTORS

THESE FACTORS INFLUENCE THE LOCATION OF PLANTS OVER DIFFERENT REGIONS.

WEBER DEVELOPED HIS THEORY ON THE BASIS OF TWO REGIONAL FACTORS:

- TRANSPORTATION COST
- LABOUR COST

TRANSPORT COST IS DEPENDENT ON TWO FACTORS:

1. TOTAL WEIGHT TO BE TRANSPORTED
2. DISTANCE TO BE COVERED

WEBER CLASSIFIED RAW
MATERIALS INTO TWO
TYPES:

A. UBIQUITOUS MATERIALS

B. LOCALIZED MATERIALS

UBIQUITOUS MATERIALS

- THESE MATERIALS ARE PRESENT EVERYWHERE. EXAMPLES: WATER, AIR, SAND, SUNLIGHT, ETC.

LOCALIZED MATERIALS

- LOCALIZED MATERIALS ARE FOUND AT SPECIFIC LOCALS. EXAMPLES: MINERALS, CROPS, WOOD, ETC.

LOCALIZED MATERIALS ARE OF TWO TYPES:

1. PURE MATERIALS, SUCH AS COTTON, JUTE

2. GROSS MATERIALS, SUCH AS IRONORE, WOOD,ETC.

**WEBER ALSO DIVIDES MATERIALS INTO
TWO
TYPES ON THE BASIS OF THEIR NATURE OF
TRANSPORTATION IN THE PROCESS OF
PRODUCTION**

PURE MATERIALS

PURE OR NON-WEIGHT LOOSING MATERIALS DO NOT LOOSE THEIR

WIGHT IN THE PROCESS OF PRODUCTION.

SUCH MATERIALS DO NOT PULL PLANTS TO THEIR PLACES OF OCCURRENCES. EXAMPLES: COTTON TEXTILE, WOOL, ETC.

IMPURE OR GROSS MATERIALS

IMPURE OR GROSS MATERIALS LOOSE PART OF THEIR WEIGHT OR THEIR TOTAL WEIGHT IN THE PROCESS OF PRODUCTION. HENCE, IMPURE

MATERIALS EXERT STRONG INFLUENCE ON LOCATION OF
PLANTS. EXAMPLES: IRON & STEEL,
SUGAR INDUSTRY, ETC.

MATERIAL INDEX

- ON THE BASIS OF THE ABOVE REASONING WEBER DEVELOPED A MATHEMATICAL FORMULA TO MEASURE THE RELATIVE PULL OF MATERIALS.
- MATERIAL INDEX = WEIGHT OF LOCALIZED MATERIALS / WEIGHT OF THE FINISHED PRODUCTS.

IF MATERIAL INDEX > 1 THEN THE PLANT WOULD BE LOCATED NEAR THE SOURCES OF MATERIALS.

IF MATERIAL INDEX < 1 THEN THE PLANT WOULD BE LOCATED NEAR TO THE MARKET.

LABOUR – THE DEVIATING FACTOR

A PLANT MAY DEVIATE FROM THE POINT OF LEAST TRANSPORTATION COST WHEN THE SAVINGS IN LABOUR COST ARE GREATER THAN THE ADDITIONAL COST OF TRANSPORTATION AT THE NEW CENTRE

ISODAPANES

ISODPANES REPRESENT POINTS OF EQUAL
TRANSPORTATION COST INCLUDING
ASSEMBLING COST OF MATERIALS
AND DISTRIBUTION COST OF
FINISHED PRODUCTS.

CRITICAL ISODAPANE

IT IS A POINT WHERE
WHERE BOTH LABOUR COST
AND TRANSPORTATION COST
ARE MINIMUM AS COMPARED
TO THEIR
TOTAL COST ANYWHERE ELSE.

LABOURCOST

LABOUR COST IS MEASURED IN TWO DIFFERENT WAYS:

1. LABOUR COST INDEX WHICH IS PER UNIT COST OF LABOUR TO THE WEIGHT OF THE FINISHED PRODUCT.
2. LABOUR COEFFICIENT WHICH IS THE RATIO BETWEEN LABOUR COST INDEX AND LOCATIONAL WEIGHT (WEIGHT TO BE TRANSPORTED DURING THE PROCESS OF PRODUCTION).

WEBER CONCLUDED THAT HIGHER THE LABOUR COEFFICIENT, GREATER IS THE TENDANCY FOR A PLANT TO BE

LOCATED NEAR THE CENTRE OF
CHEAP LABOUR SUPPLY.

SECONDARY FACTORS

SECONDARY FACTORS LEAD TO CONCENTRATION OR DISPERSAL OF INDUSTRIES. THEY ARE:

- A. AGGLOMERATIVE FACTORS ARE THE EXTERNAL ECONOMIES WHICH RESULT FROM CONCENTRATION OF INDUSTRIES AT A PARTICULAR PLACE.

B. DEGLOMERATIVE

THANK YOU